MINUTES OF THE MAY 21, 2009, MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

A meeting of the Board of Directors was held on May 21, 2009, at the Cerritos Library, 18025 Bloomfield Avenue, Cerritos, California.

The meeting was called to order at 10:40 a.m. by Vice President Glenn Steiger.

The following Board members (M) and alternates (A) were present and acting in their capacity as representative for their utility: Edward P. Zacherl, Anaheim (A); Joseph F. Hsu, Azusa (M); Fred Mason, Banning (A); Ronald E. Davis, Burbank (M); Vince Brar, Cerritos (A); Jeannette Olko, Colton (M); Glenn O. Steiger, Glendale (M); Brian J. Brady, Imperial (M); Leilani Johnson Kowal, Los Angeles (M); Phyllis E. Currie, Pasadena (M); David H. Wright, Riverside (M).

Staff present were: Executive Director Bill D. Carnahan; SCPPA staff members Phyllis Brown, Richard M. Helgeson, Steven L. Homer, Craig A. Koehler, Geri L. Mitchell, and David G. Walden; and Therese Savery, Manager of SCPPA Accounting.

Attorneys and consultants present included: Stephen Cole, Fulbright & Jaworski.

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

Vice President Steiger afforded the public an opportunity to address the Board.

2. Honorary Resolution

Vice President Steiger presented an honorary resolution to Joseph F. Hsu, honoring and thanking him for his 26 years of service to SCPPA, as Director, Vice President and as President.

3. Approval of Minutes

Mr. Wright moved to approve the minutes of the meeting held April 16, 2009. The motion was seconded by Ms. Currie, and unanimously approved.

4. Executive Director's Report

Mr. Carnahan referenced his written report and discussed the highlights, including the activities of the Ad Hoc Transmission Committee, the Ad Hoc Natural Gas Committee, and the Ad Hoc Smart Grid Committee.

5. Finance and Accounting Manager's Report

Mr. Koehler reported on the May meeting of the Finance Committee, and presented the Investment Reports for the month and quarter ended March 31, 2009, and Financial Statements (unaudited) for the quarter ended March 31, 2009. The reports were received and filed.

Mr. Koehler presented Resolution No. 2009-51, authorizing the Working Group to prepare documents for financing of the Canyon Power Project. Mr. Zacherl moved that Resolution No. 2009-51 be approved. The motion was seconded by Ms. Olko and approved by Project Roll Call Vote, with Vernon absent, and all present except Anaheim present but not voting.

Mr. Koehler presented Resolution No. 2009-52, authorizing the Working Group to prepare documents for financing of the Milford I Wind Project. Ms. Johnson-Kowal moved that Resolution No. 2009-52 be approved. The motion was seconded by Ms. Olko and approved by Project Roll Call Vote, with Vernon absent, and Anaheim, Azusa, Banning, Cerritos, Colton, Glendale, Imperial, and Riverside present but not voting.

Mr. Koehler presented Resolution No. 2009-53, authorizing the sale of escrow securities to purchase and cancel 1997B Palo Verde bonds. Mr. Brady moved that Resolution No. 2009-53 be approved. The motion was seconded by Mr. Wright and approved by Project Roll Call Vote, with Anaheim and Cerritos present but not voting.

Mr. Koehler presented Resolution No. 2009-54, approving the Administrative and General Expense Budget for fiscal year 2009/2010, Resolution No. 2009-55, approving the Legislative Advocacy Expense Budget for fiscal year 2009/2010, Resolution No. 2009-56, approving the Government Affairs Expense Budget (Sacramento), and Resolution No. 2009-57, approving the Restructuring Account Expense Budget.

Mr. Davis moved that Resolutions 2009-54, 2009-55, 2009-56, and 2009-57 be approved. The motion was seconded by Ms. Olko and unanimously approved.

6. Energy Systems Manager's Report

Mr. Walden referenced the written report, which discussed efforts relating to renewable energy projects, including wind, solar, and geothermal projects, and small hydro; and the meetings of the Public Benefits Committee, the Resource Planning group, and the Ad Hoc Smart Grid Committee.

Mr. Walden presented Resolution No. 2009-58, authorizing an agreement with KEMA Services, and Resolution No. 2009-59, authorizing an agreement with Navigant Consulting, both for work relating to Smart Grid projects. Mr. Brady moved that Resolution Nos. 2009-58 and 2009-59 be approved. The motion was seconded by Ms. Currie and unanimously approved.

Mr. Walden presented Resolution No. 2009-60, authorizing an agreement with Northern California Power Agency for an energy efficiency study, and Resolution No. 2009-61, authorizing renewal of an agreement with the Northern California Power Agency for a shared computer program for California Energy Commission reporting. Ms. Johnson-Kowal moved that Resolutions 2009-60 and 2009-61 be approved. The motion was seconded by Ms. Currie and unanimously approved.

Mr. Walden presented Resolution No. 2009-62, authorizing an agreement extending the commercial operation date for the Ameresco Landfill Project. Ms. Currie moved that Resolution No. 2009-62 be approved. The motion was seconded by Mr. Davis and approved by Project Roll Call Vote, with Vernon absent, and Anaheim, Azusa, Banning, Cerritos, Colton, Glendale, Imperial, Los Angeles, and Riverside present but not voting.

Mr. Walden presented Resolution No. 2009-63, authorizing negotiation and execution of agreements related to the Linden Wind Energy Project by the Executive Director. Ms. Johnson-Kowal moved that Resolution No. 2009-63 be approved as amended. The motion was seconded by Ms. Olko and unanimously approved.

Mr. Walden presented Resolution No. 2009-64, authorizing negotiation and execution of agreements related to the Windy Point Project by the Executive Director. Ms. Currie moved that Resolution No. 2009-64 be approved. The motion was seconded by Mr. Davis and unanimously approved.

7. Government Affairs Manager's Report

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

8. Project Administrator's Report

Mr. Homer referenced the written reports, and updated the Board on project issues.

At this point, the Board recessed for a Magnolia Power Project Coordinating Committee Meeting. The Board returned to regular session after 15 minutes.

Mr. Homer presented Resolution No. 2009-65, approving the 2009/2010 budget for the Magnolia Power Project. Mr. Davis moved that Resolution No. 2009-65 be approved. The motion was seconded by Ms. Olko and approved by Project Roll Call Vote, with Vernon, absent, and Azusa, Banning, Imperial, Los Angeles, and Riverside present but not voting.

Mr. Homer presented Resolution No. 2009-66, approving the 2009/2010 budget for the Mead-Adelanto Transmission Project. Mr. Hsu moved that Resolution No. 2009-66 be approved. The motion was seconded by Ms. Johnson-Kowal and approved by Project Roll Call Vote, with Vernon absent, and Cerritos and Imperial present but not voting.

Mr. Homer presented Resolution No. 2009-67, approving the 2009/2010 budget for the Mead-Phoenix Transmission Project. Mr. Hsu moved that Resolution No. 2009-66 be approved. The motion was seconded by Mr. Davis and approved by Project Roll Call Vote, with Vernon absent, and Cerritos and Imperial present but not voting.

Mr. Homer presented Resolution No. 2009-68, approving the 2009/2010 budget for the MWD Small Hydro Project. Mr. Hsu moved that Resolution No. 2009-68 be approved. The motion was seconded by Ms. Olko and approved by Project Roll Call Vote, with Vernon absent, and Banning, Burbank, Cerritos, Glendale, Imperial, Los Angeles, Pasadena, and Riverside present but not voting.

Mr. Homer presented Resolution No. 2009-69, approving the 2009/2010 budget for the Barnett Natural Gas Reserves Project. Mr. Zacherl moved that Resolution No. 2009-69 be approved. The motion was seconded by Ms. Johnson-Kowal and approved by Project Roll Call Vote, with Vernon absent, and Azusa, Banning, Burbank, Cerritos, Imperial, and Riverside present but not voting.

Mr. Homer presented Resolution No. 2009-70, approving the 2009/2010 budget for the Pinedale Natural Gas Reserves Project. Mr. Davis moved that Resolution No. 2009-70 be approved. The motion was seconded by Ms. Olko and approved by Project Roll Call Vote, with Vernon absent, and Azusa, Banning, Cerritos, Imperial, and Riverside present but not voting.

Mr. Homer presented Resolution No. 2009-71, approving the 2009/2010 budget for the Natural Gas Prepay Project No. 1. Ms. Olko moved that Resolution No. 2009-71 be approved. The motion was seconded by Mr. Zacherl and approved by Project Roll Call Vote, with Vernon, absent, and Azusa, Banning, Cerritos, Imperial, Los Angeles, and Riverside present but not voting.

Mr. Homer presented Resolution No. 2009-72, approving the 2009/2010 budget for the Ormat Geothermal Project. Mr. Steiger moved that Resolution No. 2009-72 be approved. The motion was seconded by Mr. Zacherl and approved by Project Roll Call Vote, with Vernon absent, and Azusa, Burbank, Cerritos, Colton, Imperial Los Angeles, and Riverside present but not voting.

Mr. Homer presented Resolution No. 2009-73, approving the 2009/2010 budget for the Palo Verde Project. Ms. Currie moved that Resolution No. 2009-73 be approved. The motion was seconded by Ms. Johnson-Kowal and approved by Project Roll Call Vote, with Vernon absent, and Anaheim and Cerritos present but not voting.

Mr. Homer presented Resolution No. 2009-74, approving the 2009/2010 budget for the Pebble Springs Wind Project. Ms. Johnson-Kowal moved that Resolution No. 2009-74 be approved. The motion was seconded by Ms. Olko and approved by Project Roll Call Vote, with Vernon absent, and Anaheim, Azusa, Banning, Cerritos, Colton, Imperial, Pasadena, and Riverside present but not voting.

Mr. Homer presented Resolution No. 2009-75, approving the 2009/2010 budget for the San Juan Unit 3 Project. Ms. Olko moved that Resolution No. 2009-75 be approved. The motion was seconded by Ms. Johnson-Kowal and approved by Project Roll Call Vote, with Vernon absent, and Burbank, Cerritos, Los Angeles, Pasadena, and Riverside present but not voting.

Mr. Homer presented Resolution No. 2009-76, approving the 2009/2010 budget for the Southern Transmission System Project. Ms. Johnson-Kowal moved that Resolution No. 2009-76 be approved. The motion was seconded by Mr. Zacherl and approved by Project Roll Call Vote, with Vernon absent, and Azusa, Banning, Cerritos, Colton, and Imperial present but not voting.

Mr. Homer presented Resolution No. 2009-77 approving the 2009/2010 budget for the Tieton Hydropower Project. Mr. Davis moved that Resolution No. 2009-77 be approved. The motion was seconded by Mr. Steiger and approved by Project Roll Call Vote, with Vernon absent, and Anaheim, Azusa, Banning, Cerritos, Colton, Imperial, Pasadena, and Riverside present but not voting.

9. Closed Session

At this point, the Board went into closed session to discuss pending and potential litigation, and performance evaluation of the Executive Director. No action was taken.

10. Adjournment

There being no further business, the meeting was adjourned at 12:08 p.m.

Respectfully submitted,

Mario C. Ignacio
Assistant Secretary