

MINUTES OF THE SEPTEMBER 20, 2007
MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

A meeting of the Board of Directors was held on September 20, 2007, at the offices of the Riverside Public Utilities, 3901 Orange Street, Riverside, California.

The meeting was called to order at 10:43 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: Steve Sciortino, Anaheim (A); Joseph F. Hsu, Azusa, (M); James D. Earhart, Banning (M); Ronald E. Davis, Burbank (M); Vince Brar, Cerritos, (A); Jeannette Olko, Colton (M); Ned Bassin, Glendale (A); Enrique Martinez, Los Angeles, (A); 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, and Geri L. Mitchell; and Therese Savery, Manager of SCPPA Accounting.

Attorneys and consultants present included: Stephen Cole, Fulbright & Jaworski; Erika Curls-Bartling; Julie Desimone and Kate Anderson, Moss Adams.

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 August 16, 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 plans for the state legislative staff tour. Mr. Carnahan discussed AB32 developments and plans for an SB 1 Solar Workshop, as well as plans for a Board Strategic Planning Workshop.

4. Annual Financial Report and Financial Statements

Ms. Desimone and Ms. Anderson presented the Audited Financial Statements for the fiscal year ended June 30, 2007.

Ms. Currie moved that the report be received and filed. The motion was seconded by Mr. Brar and unanimously approved.

5. Finance and Accounting Manager's Report

Mr. Koehler reported on the September 10, 2007, meeting of the Finance Committee, and presented the Investment Reports for the month of July 2007. Mr. Koehler discussed the status of the Prepaid Gas Project and the takeout of the Natural Gas Reserves Project temporary financing.

Mr. Koehler presented Resolution No. 2007-44, authorizing an agreement for co-bond counsel services with the firm of Curls Bartling Professional Corporation. Ms. Currie moved that Resolution No. 2007-44 be approved. The motion was seconded by Mr. Hsu and unanimously approved.

Mr. Koehler presented Resolution No. 2007-45, authorizing reimbursement from bond proceeds of legal expenses due to Holland & Hart, related to the Prepaid Natural Gas Project. Mr. Davis moved that Resolution No. 2007-45 be approved. The motion was seconded by Mr. Bassin, and approved by Project Roll Call Vote, with Imperial and Vernon absent, and Azusa, Banning, Cerritos, and Riverside present but not voting.

Mr. Koehler presented Resolution No. 2007-46, authorizing the reimbursement of expenses related to the Pebble Springs Wind Project. Ms. Currie moved that Resolution No. 2007-26 be approved. The motion was seconded by Mr. Davis and approved by Project Roll Call Vote, with Imperial and Vernon absent, and Anaheim, Azusa, Banning, Cerritos, Colton, Pasadena, and Riverside present but not voting.

Mr. Koehler presented Resolution No. 2007-47, authorizing the previously approved amendment to the contract with the California Public Employees' Retirement System. Mr. Hsu moved that Resolution No. 2007-47 be approved. The motion was seconded by Ms. Currie and unanimously approved.

6. Energy Systems Manager's Report

Mr. Robledo referenced the written report, and discussed efforts relating to renewables, including green waste to energy, wind, solar, and geothermal projects, and compact fluorescent bulbs

Mr. Robledo presented Resolution No. 2007-48, authorizing a Power Purchase Agreement with the Metropolitan Water District for small hydroelectric power. Mr. Hsu moved that Resolution No. 2007-48 be approved. The motion was seconded by Ms. Olko and approved by Project Roll Call Vote, with Imperial and Vernon absent, and Burbank, Cerritos, Glendale, Los Angeles, and Pasadena present but not voting.

Mr. Robledo presented Resolution No. 2007-49, authorizing an amendment to the Ormat Geothermal Project Power Purchase Agreement. Mr. Sciortino moved that Resolution No. 2007-49 be approved as amended. The motion was seconded by Mr. Earhart and approved by Project Roll Call Vote, with Imperial and Vernon absent, and Azusa, Burbank, Cerritos, Colton, Los Angeles, and Riverside present but not voting.

Mr. Robledo presented Resolution No. 2007-50, authorizing an agreement with Pace Global Energy Services for risk management and other hedging advisory services, on behalf of SCPPA members. Ms. Currie moved that Resolution No. 2007-50 be approved. The motion was seconded by Mr. Earhart 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. Ms. Brown discussed plans for the legislative staff tour in September.

Following discussion of a bill promoting solar water heating, Mr. Brar moved that SCPPA send a letter of support. The motion was seconded by Mr. Martinez and unanimously approved.

8. Project Administrator's Report

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

Mr. Homer presented Resolution No. 2007-51, authorizing the budget for the Hoover Upgrading Project for Fiscal Year 2007/08. Ms. Olko moved that Resolution No. 2007-51 be approved. The motion was seconded by Mr. Earhart and approved by Project Roll Call Vote, with Imperial and Vernon absent, and Cerritos, Glendale, Los Angeles, and Pasadena present but not voting.

Mr. Homer presented the budget reconciliations for all the projects for the period ending June 30, 2007.

Following the Magnolia Power Project report, Mr. Homer stated that the project had an underbilling of approximately \$1 million for FY 2006/07, but that the Project Manager recommends not billing the Participants for the underbilled amount. The amount was intended as a reserve to reduce future billings for major overhauls, and the Project Manager believes that the amount can be made up during FY 2007/08.

Ms. Currie moved that the underbilling for the Magnolia Power Project for FY 2006/07 not be billed to the Participants. The motion was seconded by Mr. Sciortino and unanimously approved.

9. Adjournment

There being no further business, the meeting was adjourned at 12:35 p.m.

Respectfully submitted,

Ronald O. Vazquez
Secretary