

**MINUTES OF THE OCTOBER 23, 2008,
SPECIAL MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**

A special meeting of the Board of Directors was held on October 23, 2008, at the Pala Mesa Resort, 2001 Old Highway 395, Fallbrook, California.

The meeting was called to order at 8.37 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: Marcie L. Edwards, Anaheim (M); Joseph F. Hsu, Azusa (M); James D. Earhart, Banning (M); Ronald E. Davis, Burbank (M); 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 Salpi Bouboushian, Phyllis Brown, Richard M. Helgeson, Steven L. Homer, Craig A. Koehler, Geri L. Mitchell, and David G. Walden. Therese Savery, Manager of SCPPA Accounting.

Attorneys and consultants present included: Stephen Cole, Fulbright & Jaworski; Erika Curls-Bartling of Curls Bartling; Julie Desimone of Moss Adams; and Lori J. Pickford of Morgan Meguire.

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. Edwards moved to approve the minutes of the Regular Meeting held September 18, 2008. The motion was seconded by Ms. Currie, and unanimously approved.

3. Audited Financials

Mr. Koehler introduced Julie Desimone from Moss Adams, who presented the Independent Auditor's Report and Combined Financial Statements for Fiscal Year 2007/2008. The audited financial statements were received and filed.

4. Executive Director's Report

Mr. Carnahan referenced his written report and discussed the highlights.

Mr. Earhart moved that LeLani Johnson Kowal be appointed Secretary. The motion was seconded by Mr. Davis and unanimously approved.

5. Finance and Accounting Manager's Report

Mr. Koehler reported on the October 6, 2008, meeting of the Finance Committee, and presented the Investment Report for the month of August 2008. The report was received and filed.

Mr. Koehler presented Resolution No. 2008-67, authorizing the transfer and novation of an existing Interest Rate Swap Agreement relating to the Magnolia Power Project. Mr. Davis moved that Resolution No. 2008-67 be approved. The motion was seconded by Ms. Currie and approved by Roll Call Vote, with Cerritos and Vernon absent, and Azusa, Banning, Imperial, Los Angeles and Riverside present but not voting.

Mr. Koehler presented Resolution No. 2008-68, authorizing the suspension and novation of an Interest Rate Swap Agreement relating to the Mead-Adelanto Transmission Project. Mr. Hsu moved that Resolution No. 2008-68 be approved. The motion was seconded by Ms. Currie, and approved by Project Roll Call Vote, with Cerritos and Vernon absent, and Imperial present but not voting.

Mr. Koehler presented Resolution No. 2008-69, authorizing the reimbursement of expenses relating to the issuance of bonds for the Imperial County Geothermal energy Generation Project. Mr. Davis moved that Resolution No. 2008-69 be approved. The motion was seconded by Ms. Olko and unanimously approved.

Mr. Koehler presented Resolution No. 2008-70, authorizing the issuance of Palo Verde Power Project Revenue bonds and related documents. Mr. Davis moved that Resolution No. 2008-70 be approved. The motion was seconded by Mr. Earhart and approved by Project Roll Call vote, with Cerritos and Vernon absent, and Anaheim present but not voting.

Mr. Koehler presented Resolution No. 2008-71 authorizing a Southern Transmission System Project refinancing, and related documents.

Mr. Koehler presented Resolution No. 2008-72, authorizing issuance of Southern Transmission System Project bonds to pay the costs of the STS Upgrade.

Mr. Koehler presented Resolution No. 2008-73, declaring intention to reimburse certain expenditures from the proceeds of the bond financing of the STS Upgrade.

Mr. Koehler presented Resolution No. 2008-74, authorizing the amendment of the southern Transmission System Agreement between SCPPA and the Intermountain Power Agency, related to the STS Upgrade.

Mr. Steiger moved that Resolutions 2008-71 through 2008-74 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.

6. Energy Systems Manager's Report

Mr. Walden referenced the written report, which discussed efforts relating to renewables, including wind, solar, and geothermal projects, small hydro, and the meetings of the Customer Service Committee, Public Benefits Committee, and the Resource Planning Committee.

Mr. Walden presented Resolution No. 2008-75, authorizing the Power Sales Contract between SCPPA and the City of Anaheim for the Canyon Power Project. Ms. Edwards moved approval of Resolution No. 2008-75. The motion was seconded by Ms. Currie, and approved by Project Roll Call Vote, with Cerritos and Vernon Absent, Anaheim voting yes, and all others present but not voting.

7. Government Affairs Manager's Report

Ms. Brown presented her written report, and discussed legislative activities in Sacramento and Washington, D.C., and the recent SCPPA State Legislative Staff Tour.

Ms. Pickford discussed legislative and regulatory issues and developments in Washington, D.C.

8. Project Administrator's Report

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

Mr. Homer noted that overbillings for Magnolia were to be kept in the project per the Project Manager's recommendation, and that overbillings for STS would be held for use in the upcoming STS financings. He will send a revised table showing net overbillings and a request form for depositing to Projects' Stabilization Funds.

Mr. Homer presented Resolution No. 2008-76, approving an agreement with Lionel Swayer and Collins for legal work relating to a property tax issue with the State of Nevada for the Mead-Phoenix and Mead-Adelanto projects. Mr. Davis moved that Resolution No. 2008-76 be approved. The motion was seconded by Ms. Edwards, and approved by Project Roll Call Vote, with Cerritos and Vernon absent, and Imperial present but not voting.

Mr. Homer presented Resolution No. 2008-77, approving an agreement with Elden Company for transmission corridor analysis for the Green Path North Project. Mr. Brady moved that Resolution No. 2008-77 be approved. The motion was seconded by Ms. Johnson and approved by Project Roll Call Vote, with Cerritos and Vernon absent, and Anaheim, Colton, and Riverside present but not voting.

Mr. Homer presented Resolution No. 2008-78, approving the initial budget for the MWD Small Hydro Project. Mr. Hsu moved that Resolution No. 2008-78 be approved. The motion was seconded by Ms. Olko and approved by Project Roll Call Vote, with Cerritos and Vernon absent, and Banning, Burbank, Glendale, Imperial, 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 strategic planning issues. No action was taken.

10. Adjournment

There being no further business, the meeting was adjourned at 3:30 p.m.

Respectfully submitted,

Mario C. Ignacio
Assistant Secretary