

**MAGNOLIA POWER PROJECT
MINUTES OF COORDINATING COMMITTEE MEETING NO. 64
APRIL 21, 2005**

In Attendance:

Ron Davis	Burbank W&P	818-238-3550
Fred Fletcher	Burbank W&P	818-238-3557
Greg Simay	Burbank W&P	818-238-3550
Richard Corbi	Burbank W&P	818-238-3724
Bill Hutchings	Burbank W&P	818-238-3660
Dev Birla	Burbank W&P	818-238-3576
Bob Liu	Burbank W&P	818-238-3725
Phyllis Currie	Pasadena W&P	626-744-4425
Ignacio Troncoso	Glendale W&P	818-548-2107
Ruwen Liu	Glendale W&P	818-548-4851
Jeannette Olko	Colton Electric Utility	909-370-6196
Vince Brar	Cerritos	562-916-1226
Steve Sciortino	Anaheim Utilities	714-765-5177
Bill Carnahan	SCPPA	626-793-9364
Steve Homer	SCPPA	626-793-9364
Dick Helgeson	SCPPA	626-793-9364
Manuel Robledo	SCPPA	626-793-9364
Tom McGuinness	Consultant - SCPPA	818-952-7067
Bruce Blowey	Consultant - SCPPA	661-296-0204
Gary Rose	Consultant - SCPPA	909-860-1818
Carl Haase	Resident Engineer	818-238-3631
Tom Roth	Consultant	213-622-6700
Gaye Mains	Burbank W&P	818-238-3658

The meeting was called to order at 9:38 a.m. at SCPPA, 225 S. Lake Avenue, Suite 1250, Pasadena, California.

PUBLIC COMMENT

Any member of the public may address the Committee on any item of interest to the public before or during the Committee's consideration of the item, provided the item is within the subject matter jurisdiction of the Committee. No comments were received.

ADMINISTRATIVE AND REPORTING ITEMS

Minutes – The February 17, and March 29, 2005 meeting minutes of the Coordinating Committee were approved.

Project Director's Report – The Project Director's Report No. 25, dated April 18, 2005, was distributed and discussed. Bill Hutchings stated that construction is essentially winding down and while there have been close to 400 workers on site, this should be reduced to about half of that within two weeks. We are proceeding with testing and checkout in parallel with finishing construction so it has been a chaotic time. There have been problems associated with completion of construction as well as equipment so we have challenged Kvaerner to come up with innovative ways to finish the project and achieve a June 30 Commercial Operation date. Kvaerner has proposed that instead of using steam blows, we use hydro laze and air blows to clean the piping, which allows us to go into a compressed commissioning schedule. We are proceeding with this process and we expect to first fire by the middle of May. The steam turbine should come on during the first week in June and performance testing should be accomplished during June. Commercial Operation would be by July 1st.

Primarily due to costs for the mechanical subcontractor and slippage in the construction schedule, we have used the entire contingency and expect MPP to go over budget by roughly 2%. We are bringing in our construction auditor to examine Kvaerner's costs.

Steve Sciortino commented that the group has done a great job and we are only four weeks away from our original plan.

ACTION ITEMS

Tabled – Funds for Working Capital Reserve – Richard Corbi recommended that this item be tabled until the May 19 Coordinating Committee meeting after disbursement of funds and procedures have been approved by the Finance Committee. Ignacio Troncoso moved to table until the next meeting the authorization for SCPPA to collect funds for establishing a Working Capital Reserve Fund. Phyllis Currie seconded. Motion carried.

Tabled - Amend FY 04/05 Operating Budget – Richard Corbi recommended that this item be tabled until the May 19 meeting since one item needs to be brought to the Finance Committee for approval. Ignacio Troncoso moved to table until the next meeting amending the Operating Budget for FY 2004-05. Phyllis Currie seconded. Motion carried.

Approve FY 05/06 Operating Budget – Richard Corbi stated that the FY 05/06 Operating Budget has been distributed to participants, however, insurance costs have gone up \$800,000. We continue to work with Burbank Risk Management and Los Angeles on this issue. We plan to bring this to the Finance Committee to determine the best option. Fred Fletcher explained O&M items. Ignacio Troncoso moved to approve the Operating Budget for FY 2005-06. Phyllis Currie seconded. Motion carried.

Reaffirm Actions at 3/29/05 Meeting – A reaffirmation is required when a Coordinating Committee meeting is conducted via conference call, as was the March 29, 2005 meeting. It is also recommended that SCPPA Executive Director, Bill Carnahan, be granted the authority to negotiate financing with GE. Steve Sciortino moved to delegate authority to

Bill Carnahan to negotiate financing with GE, and moved to reaffirm actions taken at the March 29 Coordinating Committee Meeting as follows:

- Approved Agreement with General Electric for purchase of initial spare parts for \$7,379,486.
- Approved authority to execute a lease-purchase agreement with GE Capital Public Finance, Inc. for financing the purchase price, less Glendale's portion, of initial spare parts at an interest rate not to exceed 4.1 percent on a five-year term.

Phyllis Currie seconded. Motion carried.

TRANSMISSION

Interconnection Agreement – Both Glendale and Burbank are on target regarding the Interconnection Agreement. Testing is scheduled for May 9, 2005.

Scheduling Services Agreement – We will be ready for MPP when it comes on line.

PUBLIC ISSUES

June 2nd Dedication Ceremony – Bill Carnahan distributed a Progress Report on the Dedication Ceremony, and stated that we are planning for 500 people. Some highlights are:

- The High School Jazz Band will provide music.
- Shuttle buses will be available since parking is limited.
- The give away gift will be environmentally friendly flashlights with the MPP logo.
- We plan to keep the speakers limited.
- Self-guided MPP tours of four or five key stops will be available for attendees.
- Volunteers from participating cities are asked to wear shirts with logos from their own utility.
- A Volunteer lunch and a VIP lunch will be given after the ceremony.
- The June 2nd date coincides with the annual SCPPA Congressional Staff Tour so they will be able to attend.

May 17 Project Team BBQ - A Project Team BBQ will be held May 17 to thank those who worked on the Project. Team photos will be taken at this BBQ which will be displayed at the Dedication Ceremony. These photos will be permanently mounted in the Service and Control Building. Bill thanked Lianne McGinley and Gaye Mains for their coordinating efforts.

NEXT MEETING

Project Manager Coordination Meeting – Friday, April 22, at 8:30 a.m. at BWP 2nd floor conference room.

Coordinating Committee Meeting – Thursday, May 19, at 9:00 a.m. in Pasadena.

Meeting adjourned at 10:21 a.m.