

**MAGNOLIA POWER PROJECT
MINUTES OF COORDINATING COMMITTEE MEETING NO. 71
MAY 18, 2006**

In Attendance:

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| Ron Davis | Burbank W&P | 818-238-3550 |
| Fred Fletcher | Burbank W&P | 818-238-3557 |
| Bob Liu | Burbank W&P | 818-238-3723 |
| Bill Hutchings | Burbank W&P | 818-238-3660 |
| Rick Morillo | Burbank W&P | 818-238-5715 |
| Steve Sciortino | Anaheim Public Utilities | 714-765-5177 |
| Phyllis Currie | Pasadena W&P | 626-744-4425 |
| Peggy Keigler | Colton Electric Utility | 909-370-6196 |
| Bill Carnahan | SCPPA | 626-793-9364 |
| Craig Koehler | SCPPA | 626-793-9364 |
| Steve Homer | SCPPA | 626-793-9364 |
| Richard Helgeson | SCPPA | 626-793-9364 |
| Gary Rose | Consultant - SCPPA | 909-860-1818 |
| Gaye Mains | Burbank W&P | 818-238-3658 |

The meeting was called to order at 9:33 a.m. at the Riverside Marriott Hotel, 3400 Market Street, Riverside, 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 April 20, 2006 meeting minutes of the Coordinating Committee were approved.

Operating Agent's Report – Fred Fletcher reported that on May 16 we started the unit and it was the best start up we have had; quiet and smooth. By the afternoon, we achieved full load of 242 MW and improved our minimum load from 210 MW down to 175 MW. We will continue to work on control improvements to achieve a minimum load of 120 MW. By tomorrow evening the unit should be available for scheduling. Steve Sciortino asked about accountability for the water induction damage. Gary Rose responded that one pipe line was improperly sloped and one was improperly drained. Corrections have been made and further investigation into the reasons for the piping errors is underway.

ACTION ITEMS

Approve Resolution 2006-2 authorizing SCPPA to issue the Magnolia Power Project A, Revenue Bonds, 2006-1. Craig Koehler stated that original Revenue Bonds were issued in 2003. Project A Participants desire that SCPPA issue an additional series of Project A Bonds for the purpose of, among other things, reimbursing the Project A Participants for expenditures relating to the completion of MPP and to replenish the Project A Reserve and Contingency Fund, for a price not to exceed \$40 million. Bill Carnahan stated that the bonds are expected to be issued in July 2006, and Citigroup will be the senior manager. Phyllis Currie moved to approve Resolution 2006-2 authorizing SCPPA to issue the Magnolia Power Project A, Revenue Bonds, 2006-1. Ron Davis seconded. Motion carried.

CLOSED SESSION

Update on Anticipated Litigation (SCPPA as potential defendant), pursuant to Govt. Code §54956.9(b)(1) – Rick Morillo and Ron Davis explained the status of anticipated litigation.

Meeting adjourned at 10:14 a.m.