

**MAGNOLIA POWER PROJECT
MINUTES OF COORDINATING COMMITTEE MEETING NO. 66
AUGUST 18, 2005**

In Attendance:

Ron Davis	Burbank W&P	818-238-3550
Fred Fletcher	Burbank W&P	818-238-3557
Richard Corbi	Burbank W&P	818-238-3724
Bill Hutchings	Burbank W&P	818-238-3660
Dennis Moran	Burbank W&P	818-238-3699
Bob Liu	Burbank W&P	818-238-3725
Evilia Waloejo	Burbank W&P	818-238-3725
Rick Morillo	Burbank W&P	818-238-5715
Ignacio Troncoso	Glendale W&P	818-548-2107
Ruwen Liu	Glendale W&P	818-548-4851
Vince Brar	Cerritos	562-946-1222
Jeannette Olko	Colton Electric Utility	909-370-6196
Steve Sciortino	Anaheim Public Utilities	714-765-5177
Ken Noller	Anaheim Public Utilities	714-765-5177
Eric Klinkner	Pasadena W&P	626-744-4425
Bill Carnahan	SCPPA	626-793-9364
Steve Homer	SCPPA	626-793-9364
Dick Helgeson	SCPPA	626-793-9364
Bruce Blowey	Consultant - SCPPA	661-296-0204
Gary Rose	Consultant - SCPPA	909-860-1818
Carl Haase	Resident Engineer	818-238-3631
Tom Roth	Consultant - SCPPA	213-622-6700
Gaye Mains	Burbank W&P	818-238-3658

The meeting was called to order at 9:12 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 May 19, 2005 meeting minutes of the Coordinating Committee were approved.

Project Director's Report – The Project Director's Report No. 29, dated August 15, 2005, was distributed and discussed. Fred Fletcher explained that the week after the June 2nd MPP Dedication Ceremony we achieved first fire on the unit, however, we soon discovered that the steam seals were installed backwards at the factory. This, along with control system problems, took us to June 25th when we were able to go on-line and synchronize the gas

turbine generator. Then on July 16, the GE steam turbine turning gear broke and was discovered to have a design flaw. On August 13, we received the completely rebuilt turning gear back from GE and yesterday we began to do testing and got to full automatic. We expect to have the first roll of the steam turbine (ST) on August 20, and complete the testing of the ST on August 30. Commercial Operation is scheduled for September 10. Regular updates will be emailed to participants.

ACTION ITEMS

Approve Estimate to Complete – Richard Corbi distributed the Construction and Operating Financial Update dated August 18, 2005, and explained that MPP is 3.7% over budget primarily due to piping and electrical costs. Any performance bonuses or liquidated damages are not included in the Estimate to Complete. The Contract Close-Out Committee will discuss any liquidated damages with the Project Director.

Regarding Projected Sources and Uses of Cash, we have a positive balance of almost \$800,000. It is recommended that that amount remain with SCPPA until final close-out of the Project, which could be one year from now. It is also recommended that net proceeds from start-up billing and test energy revenue remain with the Project as funds to offset capital costs. Ignacio Troncoso moved to approve Resolution 2005-2 for the Estimate to Complete for Construction, Projected Sources and Uses of Cash to meet construction costs. Vince Brar seconded. Motion carried.

Approve GE Parts and Services Agreement – The General Electric Parts and Special Services Agreement is postponed until the next Coordinating Committee meeting on September 15, 2005. In the interim, the GE contract and confidentiality issues will be explained during individual meetings with each participating City.

Fred Fletcher explained that the GE Contract is a broad agreement for parts and services for scheduled and unscheduled events related to the Gas Turbine Generator and the Steam Turbine Generator. The agreement is subject to strict confidentiality. Dennis Moran and Dave Reno from BWP have been leading the negotiations with GE, along with attorney Chip Thompson.

INFORMATIONAL ITEMS

Magazine Article - Bill Hutchings reported that *Power Magazine* has named MPP the “2005 Plant of the Year”. Next month they will publish an article announcing this honor and explain that MPP is innovative, cost effective, practical, etc.

NEXT MEETING

Project Manager Coordination Meeting – Friday, August 19, at 8:30 a.m. at BWP 2nd floor conference room.

Coordinating Committee Meeting – Thursday, September 15, at 9:00 a.m. in Pasadena.

Meeting adjourned at 10:38 a.m.