

**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**

A regular meeting of the Board of Directors was held on April 21, 2016 at the offices of the Authority, 1160 Nicole Court, Glendora, California.

This meeting was called to order at 10:00 A.M. by President Mason.

The following board members (B) and alternates (A) were present: Fred Mason (B), Girish Balachandran (B), Dukku Lee (B), George Morrow (B), Vince Brar (A), Dave Kolk (B), Stephen Zurn (B), Jorge Somoano (A), Mike Webster (A), David Wright (A), Shari Thomas (A), Reiko Kerr (A), Vicken Kasarjian (A), Todd Dusenberry (A)

Staff members were: Bill Carnahan, Richard Morillo, Steve Homer, Ted Beatty, Tanya DeRivi, Salpi Ortiz, Daniel Hashimi, Katie Ellis, Kelly Nguyen, Arpi Lepedzhyan, Erin Lewis, Kevin Crawford, Sarah Taheri, Robert Duran, Therese Savery

Attorneys, member employees and consultants present were: Stephen Cole (Consultant), Henry Martinez, Ryan Pletka (Black & Veatch), Alvarez (Cordova), Lincoln Blevins, Lewis Ting, Dan Wilson (B&V)

1. Notice/Agenda and Opportunity for the Public to Address the Board

Mr. Mason afforded the public an opportunity to address the Board. There being no request to do so, the Board proceeded to the Consent Calendar.

2. Consent Calendar

- (a) SPCPA Board Minutes for 03-17-16**
- (b) Monthly Investment Report for 02-16**
- (c) Quarterly Financial Report for 12-15**

Moved By: Vicken Kasarjian
Seconded By: George Morrow

Unanimously Approved

STAFF REPORTS

3. Executive Director's Report

Mr. Carnahan reported on the progress of the associate memberships and expects to have a report for the next meeting.

Mr. Carnahan announced the beginning of the Strategic Planning process for SCPA. Mr. Carnahan plans to travel to each member and discuss what SCPA needs to focus on to better enhance the member experience. He is also planning a one day session for the board to meet and develop the strategic plan for the coming year towards the end of summer.

4. Project Administration Director's Report

Mr. Homer discussed budget comparisons for the projects. There will be no true-ups for the six month review.

Mr. Homer reviewed the progress of the negotiations for the Hoover 2017 contracts. Mr. Morrow (Azusa) asked about the progress of the audit. Mr. Homer replied that the progress would be discussed in closed session.

Mr. Homer presented Resolution 2016-015 and 2016-016 to approve the Mead-Adelanto (LADWP) and Mead-Phoenix (LADWP) budgets for the remainder of the fiscal year.

Mr. Homer discussed Palo Verde's efforts to maintain their efficiency and safety within the plant.

Resolution 2016-015
Mead-Adelanto (LADWP) Budget

Resolution 2016-016
Mead-Phoenix (LADWP) Budget

Moved By: Mike Webster
Seconded By: George Morrow

Unanimously Approved

5. Chief Financial Officer's Report

Mr. Crawford reviewed the Canyon Power Project 2016 Series A Pricing Results. Mr. Mason (Banning) asked why SCPA was able to procure a great result.

Mr. Lee (Anaheim) asked when do we expect a ruling on the Series B bonds. Mr. Cole (Fulbright) responded that it was submitted recently and a ruling should come within six months.

Mr. Crawford provided the budget to the members and noted major changes from FY 2015-16. The budget will be presented to the board for approval at the May meeting.

Mr. Crawford provided a financial market update including the Fed Rate, Labor Shortage Index, Puerto Rico Debt Crisis and tax percentages by state.

Resolution 2016-017

Mead-Adelanto (LADWP) Bond Issuance

Resolution 2016-018

Mead-Adelanto (LADWP) Continuing Disclosure

Resolution 2016-019

Mead-Phoenix (LADWP) Bond Issuance

Resolution 2016-020

Mead-Phoenix (LADWP) Continuing Disclosure

Moved By: Mike Webster
Seconded By: George Morrow

Unanimously Approved

6. Government Affairs Reports

Ms. DeRivi reviewed upcoming ARB Rulemakings in regards to RPS Enforcement Penalties, RPS Adjustment and 2016 Cap and Trade Amendments. Mr. Morrow (Azusa) asked if utilities should be concerned about industry transfer. Ms. DeRivi replied that it is a compliance issue.

Ms. DeRivi reviewed the CEC SB 350 Implementation IRP workshop for POU's. Mr. Webster (LADWP) voiced that we should be concerned regarding the commissioners questions. Saying that we should be steering ARB to address the issues with the IRP. Mr. Kasarjian (IID) also expressed concerns that we should be watching what the ARB is focusing on.

Ms. Taheri reviewed the CEC AB 802 Implementation benchmarking and disclosure workshop. In April, SCPPA filed comments and jointly with NCPA drafted a proposal.

Ms. Taheri discussed the SB 350 studies being conducted by CAISO. Mr. Mason (Banning) was concerned that things are sounding better than reality. Mr. Webster (LADWP) expressed concern that it may not be a good option for the municipalities by losing ratemaking authority. Mr. Balachandran (Riverside) asked how LADWP would lose this authority. Mr. Webster (LADWP) replied that the ancillary rates would be left to the CAISO to decide. Mr. Kasarjian (IID) agreed that LADWP should be concerned due to how much transmission they participate in. He continued to say the plan rests on California paying the bill to complete the expansion. Mr. Morrow (Azusa) was also doubtful on how this plan will benefit all parties. Mr. Carnahan suggested that the board compile questions regarding the plan and can make the meeting run more smoothly and allow CAISO to respond fairly at the next board meeting. The CAISO will be present and scheduled to speak at the May board meeting.

Ms. DeRivi presented state legislation updates on SB 380, AB 2339 and AB 2709. She also reviewed the FAA Reauthorization and the Senate Energy Bill which were both passed by the Senate.

Ms. DeRivi gave an update on the Aliso Canyon draft action plan and April workshop. Ms. Taheri discussed the CAISO Operations and Straw Proposal. IID asked if it has been discussed out of the ISO and their possible influence of SC Gas and packing lines. Mr. Webster (LADWP) responded that the gas companies are being pressured to have curtailment. Ms. Taheri continued to discuss CPUC Daily balancing Rules and expected timelines of the settlement agreement.

7. Director of Resource and Program Development

Ryan Pletka, Associate Vice President with Black & Veatch provided a presentation on Disruptive Technologies and Future Utility Business Models.

8. New Business

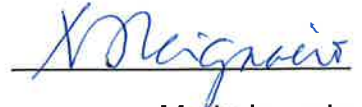
Mr. Wright (LADWP) requested the board discuss PERS and executive hiring at the next board meeting.

9. Closed Session

The board entered into closed session at 12:45pm

After re-convening in open session at 1:30PM, the meeting was adjourned at 1:30PM.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Mario Ignacio", is written over a horizontal line.

Mario Ignacio

Assistant Secretary

c: Board of Directors