

MINUTES OF THE JULY 17, 2008, MEETING OF THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

A meeting of the Board of Directors was held on July 17, 2008, at the offices of Azusa Light & Water, 729 North Azusa Avenue, Azusa, California.

The meeting was called to order at 10:42 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); Glenn O. Steiger, Glendale (M); Mario Escalera, Imperial (M); Mario C. Ignacio, Los Angeles (A); Phyllis E. Currie, Pasadena (M); David H. Wright, Riverside (M).

Staff present were: Executive Director Bill D. Carnahan; SCPPA staff members Phyllis H. Brown, Richard M. Helgeson, Steven L. Homer, Craig A. Koehler, Geri L. Mitchell, and Roberto Sarmiento. Therese Savery, Manager of SCPPA Accounting.

Attorneys and consultants present included: Stephen Cole, of Fulbright & Jaworski; Norman Pedersen, of Hanna and Morton; and Jim Lazar, of Microdesign Northwest.

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

Mr. Hsu moved to approve the minutes of the meeting held May 15, 2008. The motion was seconded by Ms. Currie, and unanimously approved.

3. Executive Director's Report

Mr. Carnahan referenced his written report and discussed the highlights, including efforts to fill the vacant Energy Systems Manager position, problems with bond insurers, and proposals from Ice Energy for 100 MW of installations. Mr. Carnahan and President Wright discussed possible relocation of the SCPPA offices.

4. Finance and Accounting Manager's Report

Mr. Koehler reported on the July meeting of the Finance Committee, and presented the Investment Reports for the month of April, 2008. The reports were received and filed.

Mr. Koehler reported on the status of refinancing plans for Mead-Phoenix, Mead-Adelanto, Southern Transmission System and Palo Verde, and plans for interim financing for the STS Upgrade and the Canyon Power Project.

Mr. Koehler presented Resolution No. 2008-38, authorizing the issuance of Palo Verde refunding bonds and related documents. Mr. Ignacio moved that Resolution No. 2008-38 be approved. The motion was seconded by Mr. Hsu and approved by Project Roll Call Vote, with Cerritos, Colton, and Vernon absent, and Anaheim present but not voting.

5. Energy Systems Manager's Report

Mr. Koehler 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 and the Resource Planning Committee. He also discussed the status of an Request for Proposals for Demand Response Services, and a Request for Proposals for Renewable Project Financing for two proposed wind projects.

Mr. Koehler presented Resolution No. 2008-39, authorizing an agreement with North American Power Partners for resource analysis and program design consulting services to develop cost-effective demand resources. Mr. Steiger moved that Resolution No. 2008-39 be approved. The motion was seconded by Mr. Davis and unanimously approved.

Mr. Koehler presented Resolution No. 2008-40, authorizing the ratification of matters associated with the Tieton Hydroelectric Project, including the current Power Sales Agreement. Mr. Davis moved that Resolution No. 2008-40 be approved. The motion was seconded by Ms. Currie and unanimously approved by all present.

Mr. Koehler presented Resolution No. 2008-41, authorizing a Statement of Policy related to Renewable Portfolio Standards and the proposed Southern Transmission System Upgrade Project. Ms. Edwards moved that Resolution No. 2008-41 be approved. The motion was seconded by Ms. Currie and approved by Project Roll Call Vote, with Cerritos, Colton, and Vernon absent, and Azusa, Banning, and Imperial present but not voting.

Mr. Koehler presented Resolution No. 2008-42, authorizing the Executive Director to enter into arrangements to use Robert S. Lynch for legal services relating to member issues in Arizona. Mr. Steiger moved that Resolution No. 2008-42 be approved. The motion was seconded by Mr. Earhart, and unanimously approved.

6. Government Affairs Manager's Report

Ms. Brown presented her written report, and discussed legislative activities in Sacramento and Washington, D.C., and discussed plans for the state legislative staff tour in September.

7. Project Administrator's Report

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

8. Closed Session

At this point, the Board went into closed session to discuss potential and pending litigation. No action was taken.

9. **Adjournment**

There being no further business, the meeting was adjourned at 2:02 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mario C. Ignacio".

Mario C. Ignacio
Assistant Secretary