

# M-S-R Public Power Agency

## MEETING OF THE COMMISSION

Wednesday, March 17, 2010, 12:00 noon  
Navigant Consulting, Inc.  
3100 Zinfandel Drive, Suite 600, Sierra Room  
Sacramento, California

### AGENDA

#### **Distribution:**

<u>Commissioners &amp; Alternate Commissioners</u>	<u>Others</u>
Modesto:	Lisa Gast
Allen Short	Steve Gross
Roger Van Hoy (Alt)	Lou Hampel
Greg Salyer (Alt)	Steve Hance
Santa Clara:	Alan Hockenson <sup>1</sup>
Joe Kornder	Martin Hopper <sup>1</sup>
John Roukema <sup>1</sup> (Alt)	Pete Scanlon
Redding:	Cindy Worley
Paul Hauser	file/er/msr
Tim Nichols <sup>1</sup> (Alt)	

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<sup>1</sup> Please post agenda.

# M-S-R Public Power Agency

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## AGENDA

Any member of the public who desires to address the Commission on any item considered by the Commission at this meeting before or during the Commission's consideration of that item shall so advise the Chair and shall thereupon be given an opportunity to do so.

1. Call to Order
2. Roll Call
3. *Approve meeting minutes of January 20, 2010* (attached)
4. Report on summary of invoices paid totaling \$20,135,078.98 (attached)
5. Finance (Lou Hampel)
  - a. December 2009 Unaudited Preliminary Financial Statements
  - b. February 2010 Treasurer's Report (attached)
6. Projects and Activities (Alan Hockenson)
  - a. San Juan Project Status Report (attached)
  - b. Southwest Transmission Projects Status Report (attached)
  - c. Pacific Northwest Projects Status Report (attached)
7. M-S-R General Manager's Report (Martin Hopper, attached)
8. Closed Session
  - a. Closed Session Pursuant to Government Code Section 54956.9(a) - Conference with Legal Counsel – Existing Litigation, One case

- b. Closed Session Pursuant to Government Code Section 54956.9(b) - Conference with Legal Counsel - Anticipated Litigation, Significant Exposure to Litigation, Four cases
  - c. Closed Session Pursuant to Government Code Section 54956.9(c) - Conference with Legal Counsel - Anticipated Litigation, Decision on Whether to Initiate Litigation, One case
- 9. *Discussion and possible action regarding M-S-R Geothermal leases*
  - 10. Public Comment
  - 11. *Confirm date and time of next meeting*
  - 12. Adjourn

ALTERNATE FORMATS OF THIS AGENDA WILL BE MADE AVAILABLE UPON REQUEST TO QUALIFIED INDIVIDUALS WITH DISABILITIES.
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**M-S-R PUBLIC POWER AGENCY  
DRAFT MINUTES  
MEETING OF THE COMMISSION  
JANUARY 20, 2010**

The Commission of the M-S-R Public Power Agency (M-S-R PPA) met on January 20, 2010, at the offices of Navigant Consulting, Inc. (NCI), 3100 Zinfandel Drive, Sacramento, CA. Present from Modesto Irrigation District (MID) were Allen Short, Lou Hampel, and Greg Salyer; present from Santa Clara were Joe Kornder, and Mike Pretto; present from Redding was Tim Nichols. Present from Navigant Consulting Inc. (NCI) was Alan Hockenson. Also present were General Counsel Steven C. Gross; and General Manager Martin R. Hopper.

Chair Short called the meeting to order at 12:02 P.M. A quorum was attained with the voting representatives being Mr. Short, Mr. Kornder, and Mr. Nichols.

The Commission then considered its annual election of officers. It was moved by Alternate Commissioner Nichols and seconded by Commissioner Kornder to re-elect Allen Short as President and Joe Kornder as Vice President. The motion carried unanimously.

The Commission then reviewed the minutes of its December 2, 2009, meeting. It was moved by Alternate Commissioner Nichols and seconded by Commissioner Kornder to approve the minutes. The motion carried unanimously.

The Commission then reviewed the invoices listed under Item No. 5 on the Agenda which have previously been paid pursuant to pre-existing delegations of authority.

Mr. Hampel, M-S-R PPA Treasurer, then presented the December 2009 Project Funds Status and Treasurer's Reports to the Commission. He noted that the AGF Medium Term notes have continued to improve in value but have not yet reached par value for divestment.

Mr. Hampel then presented the proposed 2010 M-S-R PPA Investment Policy Guidelines to the Commission. He noted that there are no changes from the 2009 guidelines that have been

required by changes in State Law. It was moved by Alternate Commission Nichols and seconded by Commissioner Kornder to adopt the 2010 M-S-R PPA Investment Policy Guidelines. The motion carried unanimously.

Mr. Hampel then addressed the Commission regarding the possible adoption of the SFAS – 71 accounting standard. Adoption of this optional standard along with the implementation of GASB – 53 will potentially make the Agency’s financial reporting clearer and will provide for potential future smoothing of the effects of changes in derivative values. The value changes would henceforth be recorded on the Balance Sheet only and would not flow through the Income Statement. It was noted that MID plans to adopt the same standard and for consistency in reporting, M-S-R PPA should make its adoption subject to MID’s action. It was moved by Commissioner Kornder and seconded by Alternate Commissioner Nichols to adopt Resolution 2010 – 01, “Resolution Of The Commission Of The M-S-R Public Power Agency Accounting For The Effects OF Certain Types Of Regulation.” The motion carried unanimously.

Mr. Hockenson then addressed the Commission regarding the San Juan Project, Southwest Transmission Project and Big Horn Project Status Reports. Mr. Hockenson reported that overall the San Juan Project had good overall performance for the past year and continues to show improvement. Members were reminded about the biennial tour and were requested to provide their attendee lists as soon as possible. With respect to the Southwest Transmission Project, it was noted that additional information will be available regarding development of uniform Large Generator Interconnection Procedures after the March 2010 project Engineering and Operating Committee Meetings. Big Horn Wind Energy Project performance was briefly discussed and it was noted that Mr. Hopper and Mr. Hockenson continue their review of machine availability and its effects on actual and projected wind power production.

Mr. Hopper then briefly reviewed the General Manager’s report dated January 13, 2010, for the Commission and addressed questions thereon. He also noted that the San Juan Fuels Committee will be meeting next week to address mine reclamation escrow requirements. He also noted the Last Mile Electrical Cooperative through which M-S-R PPA had made some of its early

explorations into Pacific Northwest wind energy projects has dissolved and the M-S-R PPA will received a dues refund of about \$1,800.

Mr. Hopper then addressed the Commission regarding the proposed replacement of the Big Horn I Guarantee by Iberdrola Renewables Holdings, Inc. and related administrative amendments to the Big Horn 1 agreements. These changes are consistent with the form of the recently approved Big Horn II agreements and reflect the succession of Iberdrola Renewables' former parent, Scottish Power Finance (US) Inc by Iberdrola Renewables Holdings, Inc. Mr. Hopper noted that the form of Amendment No. 2 To Amended and Restated Shaping and Firming Agreement Between PPM Energy, Inc. and M-S-R Public Power Agency had accidently been omitted from the agenda package and provided copies to the Commissioners. It was moved by Alternate Commissioner Nichols and seconded by Commissioner Kornder to approve the Replacement Guarantee of Iberdrola Renewables Holdings, Inc, Amendment No. 2 To Amended and Restated Wholesale Purchase and Sale Agreement For Wind Energy Between Big Horn Project, LLC and M-S-R Public Power Agency, and Amendment No. 2 To Amended and Restated Shaping and Firming Agreement Between PPM Energy, Inc. and M-S-R Public Power Agency. The motion carried unanimously.

Mr. Hopper then addressed the Commission regarding the proposed California State Ballot Petition 09 – 0015, the “New Two-Thirds Vote Requirement For Local Public Electricity Providers – Initiative Constitutional Amendment.” He directed the Commission’s attention to the analysis in the Staff Report regarding the potential adverse impacts created by the proposed initiative on M-S-R PPA’s abilities to obtain and operate new transmission and generation resources and the vague and unclear requirements for voter approval of joint powers agency actions. He recommended that the Commission adopt the proposed resolution 2010 – 02, placing M-S-R PPA on record as opposing this initiative. General Counsel noted that M-S-R PPA may take a position on the initiative, may provide information and educational materials, but may not campaign for a specific vote on the initiative. It was moved by Alternate Commissioner Nichols and seconded by Commissioner Kornder to adopt Resolution 2010 – 02, “Resolution Of The Commission Of The M-S-R Public Power Agency Opposing “California State Ballot Petition 09-

0015, New Two-Thirds Vote Requirement For Public Electricity Providers – Initiative Constitutional Amendment.” The motion carried unanimously.

The Commission then retired into Closed Session pursuant to Government Code Section 54956.9 (a) - Existing Litigation – SCE Rate Case: ER09 - 1534; Government Code Section 54956.9 (b) - Anticipated Litigation, Significant Exposure to Litigation - Three Cases; and Government Code Section 54956.9 (c) - Anticipated Litigation, Decision on Whether to Initiate Litigation - One Case at 12:28 P.M. Upon the conclusion of the Closed Session at 1:14 P.M., the Chair reported for the record, pursuant to the Government Code, that the Commission had taken no actions which require public disclosure.

The Chair then called for Public Comment. There being none, the Chair announced that the next regular meeting of the Commission will be Wednesday, March 17, 2010, at 12:00 Noon, at NCI's offices in Sacramento. The meeting was then adjourned by the Chair at 1:15 P.M.

Martin R. Hopper  
Assistant Secretary

**M-S-R Public Power Agency**  
**Invoices Paid Summary: January 2010 - March 2010**

Payee	Description	Period Covered	Amount
AF Legal & Consulting Services	Legal Services	Jan 2010	7,413.00
American Public Power Assoc	Membership Dues	Apr 2010-Mar 2011	525.00
Baker Tilly Virchow Krause	Audit of 2009 Financials	thru 1/30/10	1,409.00
Bank of New York	Mead-Adelanto Operations Costs	Dec 09 / Feb 10	37,459.78
Bank of New York	Mead-Adelanto Operations Costs	Jan 10 / Mar 10	31,839.18
Big Horn Wind Project	Firm Energy from Big Horn facility	Jan 2010	1,442,861.52
Big Horn Wind Project	Firm Energy from Big Horn facility	Feb 2010	1,067,511.83
BondLogistix	Preparation of Interim Arbitrage Rebate Reports		6,000.00
CMUA	Registration for M Hopper to attend 3/23-26/2010		710.00
Dept of Water & Power	Transmission Service Adelanto-Victorville	Dec 2009	61,595.00
Dept of Water & Power	Transmission Service Adelanto-Victorville	Jan 2010	61,595.00
Dexia Credit	Commitment Fee for 2008M and 2008N	1st Qtr 2010	111,558.65
Duncan Weinberg et al	Legal Services	Dec 2009	54,978.77
Duncan Weinberg et al	Legal Services	Jan 2010	67,699.84
Government Affairs Consulting	Services rendered	Jan 2010	2,000.00
Government Affairs Consulting	Services rendered	Feb 2010	2,000.00
Hampton Inn & Suites	San Juan Tour hotel		2,515.68
Iberdrola Renewables	Big Horn Shaping Fee	Jan 2010	612,222.00
Iberdrola Renewables	Big Horn Shaping Fee	Feb 2010	175,968.00
JP Morgan Securities	Quarterly Remarketing Fee 2008M and 2008N	Nov 09-Jan 10	16,604.11
Maricopa County Treasurer	2009 Property Taxes (additional taxes on one parcel)	1st Half	509.85
Maricopa County Treasurer	Property Taxes 2009	2nd Half	35,735.66
Martin Hopper Energy Consulting	General Manager services	Jan 2010	23,955.97
Martin Hopper Energy Consulting	General Manager services	Feb 2010	22,597.80
McCarthy & Berlin	Legal Services	Dec 2009	7,119.53
McCarthy & Berlin	Legal Services	Jan 2010	8,996.90
Modesto Irrigation District	Accounting and coordination services	Jan 2010	54,001.09
Modesto Irrigation District	Accounting and coordination services	Feb 2010	53,304.78
Mohave County Traesurer	Property Taxes 2009	2nd Half	10,935.07
Navigant	Special assistance	Dec 2009	27,891.12
Navigant	Special assistance	Jan 2010	38,981.28
Nevada Dept of Taxation	Property Taxes 2009-2010	4 of 4	26,855.74
PNM	Estimated Coal	Dec 2009	1,979,355.82
PNM	Estimated Coal	Jan 2010	2,213,675.68
PNM	Monthly Net Due for San Juan Construction	Dec 2009	674,344.82
PNM	Monthly Net Due for San Juan Construction	Jan 2010	1,243,058.37
PNM	Weekly Advance	011310	575,000.00



**M-S-R Public Power Agency**  
**Invoices Paid Summary: January 2010 - March 2010**

Payee	Description	Period Covered	Amount
PNM	Weekly Advance	012010	567,422.24
PNM	Weekly Advance	012710	322,000.00
PNM	Weekly Advance	020310	24,000.00
PNM	Weekly Advance	021510	533,005.72
PNM	Weekly Advance	022210	542,846.81
PNM	Weekly Advance	022410	159,000.00
PNM	Weekly Advance	030310	89,770.89
PNM	Weekly Advance	031010	733,797.62
Porter Simon	Legal Services	Jan 2010	6,720.00
Porter Simon	Legal Services	Feb 2010	3,007.66
Redding	Reimburse expenses for Dave Arthur	4/8/09-11/4/09	8,683.33
Redding	Reimburse expenses for Dave Arthur	Nov-Dec 2009	4,164.05
Salt River Project	Capital Improvements for Mead-Phoenix	Jan 2010	9,162.20
Salt River Project	Mead-Pheonix O&M Costs	Dec 09/Feb 10	16,696.85
Salt River Project	Mead-Phoenix Capital Improvements	Oct-Dec 2009	10,304.82
Salt River Project	Mead-Phoenix O&M Costs	Jan 10 / Mar 10	41,017.84
Southern California Edison	Firm Transmission between Victorville-Lugo and Midway	Jan 2010	97,500.00
Southern California Edison	Firm Transmission between Victorville-Lugo and Midway	Feb 2010	97,500.00
US Bank	Administrative & Transaction Fees, 2007K	2010	4,150.00
US Bank	Administrative & Transaction Fees, Series E	Feb 2010-Jan 2011	1,100.00
US Bank	Debt Service for Series 1997D, F, I, J, K, 2008L	Jan 2010	2,703,445.29
US Bank	Debt Service for Series 1997D, F, I, J, K, 2008L	Feb 2010	2,703,445.29
US Bank	Debt Service Payment for 2008 M & N	Mar 2010	11,684.83
US Bank	Swap Payment for 1998F & G	Feb 2010	275,205.58
US Bank	Swap Payment for 1998F & G	Jan 2010	307,099.90
US DOE	Mead-Phoenix Firm Energy Losses	Dec 09 & Jan 10	95,974.93
WREGIS	Transfer Volume Fee	Jan 2010	195.25
WREGIS	Transfer Volume Fee PLUS Annual Fe	Dec 2009	1,742.76
Yavapai County Treasurer	Property Taxes 2009	2nd Half	3,649.28
<b>TOTAL</b>			<b>\$ 20,135,078.98</b>



UNAUDITED  
FINANCIAL STATEMENTS  
December 2009

Presented To Commission

March 17, 2010

# MSR PUBLIC POWER AGENCY

## BALANCE SHEET

December 31, 2009

UNAUDITED

ASSETS	12/31/2009	12/31/2008	Change
<b>Current Assets</b>			
Cash	\$26,921,799	\$23,525,180	\$3,396,619
Market Adj-Temp Cash Investments	(399,282)	(1,297,602)	898,320
Receivables	10,037,120	9,790,002	247,118
Inventory	1,675,127	1,749,673	(74,546)
Other Current Assets	1,390,422	1,389,718	704
<b>Total Current Assets</b>	<b>39,625,186</b>	<b>35,156,971</b>	<b>4,468,215</b>
<b>Utility Plant</b>			
Electric Plant in Service	352,721,649	353,533,754	(812,105)
Less: Accumulated Depreciation	200,662,380	190,411,544	10,250,836
Net Utility Plant	152,059,269	163,122,210	(11,062,941)
Utility Plant Under Construction	11,144,575	6,902,703	4,241,872
<b>Total Utility Plant</b>	<b>163,203,844</b>	<b>170,024,913</b>	<b>(6,821,069)</b>
<b>Other Assets</b>			
Intangible Assets	15,383,000	15,383,000	-
Less Nonutility Depreciation	8,154,844	7,598,832	556,012
Net Intangible Assets	7,228,156	7,784,168	(556,012)
Deferred Effective Derivative Position	13,380,077	-	13,380,077
Reserve Funds Held by Trustee	32,686,273	33,844,182	(1,157,909)
Debt Expense and Loss	24,299,142	27,686,563	(3,387,421)
<b>Total Other Assets</b>	<b>77,593,648</b>	<b>69,314,913</b>	<b>8,278,735</b>
<b>TOTAL ASSETS</b>	<b>280,422,678</b>	<b>\$274,496,797</b>	<b>\$5,925,881</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Current Liabilities</b>			
Accounts Payable	7,474,619	8,971,273	(1,496,654)
Interest Payable	7,582,577	7,578,676	3,901
Current Portion Long Term Debt	18,010,000	17,380,000	630,000
Current Portion Asset Retirement Obligation	960,000	2,079,000	(1,119,000)
<b>Total Current Liabilities</b>	<b>34,027,196</b>	<b>36,008,949</b>	<b>(1,981,753)</b>
<b>Long Term Liabilities</b>			
Senior Lien Bonds	52,390,000	61,040,000	(8,650,000)
Subordinate Lien Bonds	310,180,000	319,540,000	(9,360,000)
Debt Discount & Premium	9,352,253	11,052,041	(1,699,788)
<b>Total Long Term Liabilities</b>	<b>371,922,253</b>	<b>391,632,041</b>	<b>(19,709,788)</b>
<b>Other Liabilities</b>			
Asset Retirement Obligation	20,769,910	19,763,666	1,006,244
Derivative	13,380,077	24,060,611	(10,680,534)
Other Deferred Credits	38,297	99,183	(60,886)
<b>Total Other Liabilities</b>	<b>34,188,284</b>	<b>43,923,460</b>	<b>(9,735,176)</b>
<b>Total Liabilities</b>	<b>440,137,733</b>	<b>471,564,450</b>	<b>(31,426,717)</b>
<b>Members Equity</b>			
Beginning Balance	(173,007,042)	(190,262,256)	17,255,214
Member Reimbursement	-	-	-
Unrealized Holding Loss/Equity Adj	-	-	-
Net Income	13,291,987	(6,805,397)	20,097,384
<b>Total Equity</b>	<b>(159,715,055)</b>	<b>(197,067,653)</b>	<b>37,352,598</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>280,422,678</b>	<b>274,496,797</b>	<b>\$5,925,881</b>

# MSR PUBLIC POWER AGENCY

## INCOME STATEMENT

December 31, 2009

### UNAUDITED

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>OPERATING REVENUE</b>			
Wholesale Revenue-Members	\$131,479,191	122,860,296	\$8,618,895
Wholesale Revenue-Others	-	9,605	(9,605)
	<u>131,479,191</u>	<u>122,869,901</u>	<u>8,609,290</u>
<b>OPERATING EXPENSES</b>			
San Juan Production Cost	40,119,051	36,910,767	3,208,284
San Juan A&G	1,150,000	955,194	194,806
Mead Phoenix Cost	1,133,057	849,168	283,889
Mead Adelanto Cost	416,500	492,003	(75,503)
Transmission Services	3,139,155	2,181,997	957,158
Purchase Power-Members	-	9,605	(9,605)
Purchase Power-Renewable	38,297,250	34,590,915	3,706,335
Purchase Power-Other	-	1,080	(1,080)
Renewable A&G	764,680	895,438	(130,758)
Agency A&G	1,052,420	1,165,810	(113,390)
Debt Administration	690,000	737,552	(47,552)
	<u>86,762,113</u>	<u>78,789,529</u>	<u>7,972,584</u>
<b>OTHER INCOME &amp; (EXPENSE)</b>			
Interest Income	1,180,500	1,096,203	84,297
Other Non-Operating Revenue	-	24,000	(24,000)
Gain/Loss on Investments	-	-	-
Interest Expense	(18,659,228)	(18,930,195)	270,967
Amortization	(2,250,464)	(2,243,645)	(6,819)
Depreciation	(11,590,815)	(11,616,832)	26,017
Change in Derivative Valuation	-	-	-
Change in Fair Value on Investments	-	899,626	(899,626)
Loss on Sales of Assets	-	(17,542)	17,542
	<u>(31,320,007)</u>	<u>(30,788,385)</u>	<u>(531,622)</u>
<b>Net Income (Loss) from Operations</b>	<u>13,397,071</u>	<u>13,291,987</u>	<u>\$105,084</u>

# MSR PUBLIC POWER AGENCY

## FUNDS STATEMENT

December 31, 2009

UNAUDITED

**Beginning Balance, January 1, 2009**

**\$ 23,525,180**

### **FUNDS PROVIDED**

Net Income from Operations	13,291,987
Amortization	2,243,645
Depreciation	11,616,832
Reserve Funds Held by Trustee	1,157,909
<b>Total Fund Provided</b>	<b>28,310,373</b>

### **FUNDS APPLIED**

Utility Plant Additions	3,472,963
Working Capital Changes	4,060,792
Change in Derivative Valuation	-
Long Term Debt Retirement	17,380,000
Financing	-
<b>Total Funds Applied</b>	<b>24,913,754</b>

**Increase (Decrease) in Funds**

**3,396,619**

**Ending Balance, December 31, 2009**

**\$26,921,799**

# MSR PUBLIC POWER AGENCY

## MEMBERS' EQUITY STATEMENT

December 31, 2009

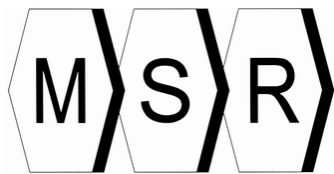
UNAUDITED

	Modesto	Santa Clara	Redding	Total
Member Equity Percentage	50%	35%	15%	100%
Equity at December 31, 2008	(\$98,533,826)	(\$68,973,679)	(\$29,560,148)	(\$197,067,653)
Member Reimbursement	-	-	-	-
Debt Service Reimbursement	-	-	-	-
2009 Portion of Net Income	6,645,994	4,652,195	1,993,798	13,291,987
Restate Prior GASB 53, SAS 71	12,030,306	8,421,213	3,609,092	24,060,611
<b>Equity at December 31, 2009</b>	<b>(\$79,857,526)</b>	<b>(\$55,900,271)</b>	<b>(\$23,957,258)</b>	<b>(\$159,715,055)</b>



# Treasurer's Report

February 2010



**M-S-R Public Power Agency  
Treasurer's Report  
Index**

Treasurer's Report for the Month of February 2010

Investment Activity, All Funds

General Fund Investment Portfolio Guideline Compliance

Investment Portfolio Pie Chart

General Fund Portfolio Average Maturity Report

MSR / LAIF / US Treasury 2-Year

General Fund:

    Portfolio Summary

    Portfolio Details – Investments

    Portfolio Details – Cash

    Investment Status Report – Investments

    Investment Status Report – Cash

    Investment Activity by Type

    Received Interest

    Activity Report – LAIF

Trust Funds:

    Portfolio Summary

    Portfolio Details – Investments

    Portfolio Details – Cash

    Investment Status Report – Investments

    Investment Status Report – Cash

    Investment Activity by Type

    Investment Purchases Report



**MSR PUBLIC POWER AGENCY  
TREASURER'S REPORT  
FOR THE MONTH OF FEBRUARY 2010**

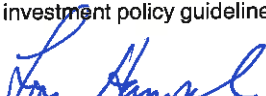
**FUND BALANCES**


<u>UNRESTRICTED FUNDS</u>	01/31/10	Receipts	Disbursements	02/28/10
General Fund	21,771,380	11,702,981	12,641,924	20,832,437
 <u>RESTRICTED FUNDS</u>				
MSR Series A	0	0	0	0
MSR MASTER RESERVE	469,667	0	0	469,667
MSR Series B	0	0	0	0
MSR Series C	0	0	0	0
MSR Series D	0	0	0	0
MSR Series E	0	0	0	0
MSR Series F	2,323,636	405,172	(1)	2,728,809
MSR Series G	0	0	0	0
MSR Series H	0	0	0	0
MSR Series I	3,385,801	582,244	(0)	3,968,045
MSR 2003 Series I	0	0	0	0
MSR 2004 Series J	4,629,063	687,013	(1)	5,316,077
MSR 2007 Series K	3,468,259	261,569	(1)	3,729,829
MSR 2008 Series L	8,476,903	546,532	(2)	9,023,437
MSR 2008 Series M	3,168,269	11,003	11,003	3,168,269
MSR 2008 Series N	1,148,362	7,711	7,711	1,148,362
MSR Series 95B/95C (Taxable)	0	0	0	0
MSR Series 97D/97E	453,270	220,910	(1)	674,181
MSR Series 98F/98G/98 COI A/C	0	0	0	0
	<u>27,523,230</u>	<u>2,722,154</u>	<u>18,709</u>	<u>30,226,675</u>
 TOTAL FUNDS	 <u>49,294,610</u>	 <u>14,425,135</u>	 <u>12,660,633</u>	 <u>51,059,112</u>

**CASH & INVESTMENTS**

<u>DEMAND ACCOUNTS</u>			
Union Bank - General Fund			502,859
 <u>INVESTMENTS (See Attached)</u>	<u>Standard per</u>	<u>Gov't Code</u>	<u>Actual</u>
Bankers Acceptances		40%	0.0%
Certificates of Deposit(Coll./Ins.)		No Limit	0.0%
Commercial Paper(A1/P1)		25%	0.0%
Corporate Notes-Medium Term		30%	13.9%
Federal Agencies		No Limit	70.5%
Local Agency Investment Fund		\$40,000,000	10.6%
Money Market Accounts		No Limit	5.1%
Repurchase Agreements		No Limit	0.0%
U.S. Treasury Instruments		No Limit	0.0%
TOTAL INVESTMENTS			<u>100.0%</u>
			50,612,950
 Add: Deposits in transit			0
Less: Outstanding checks			(56,697)
 TOTAL CASH & INVESTMENTS			 <u>51,059,112</u>

We certify that this statement is a true and correct record of transactions in the Treasury since the prior report. The agency has sufficient liquid assets on deposit to meet its obligations over the next 6 months. All investments are in compliance with the agency's investment policy guidelines.

  
Lou Hampel -- Treasurer

  
Don Dermond -- Asst. Treasurer

**Investment Activity, All Funds  
February 2010**

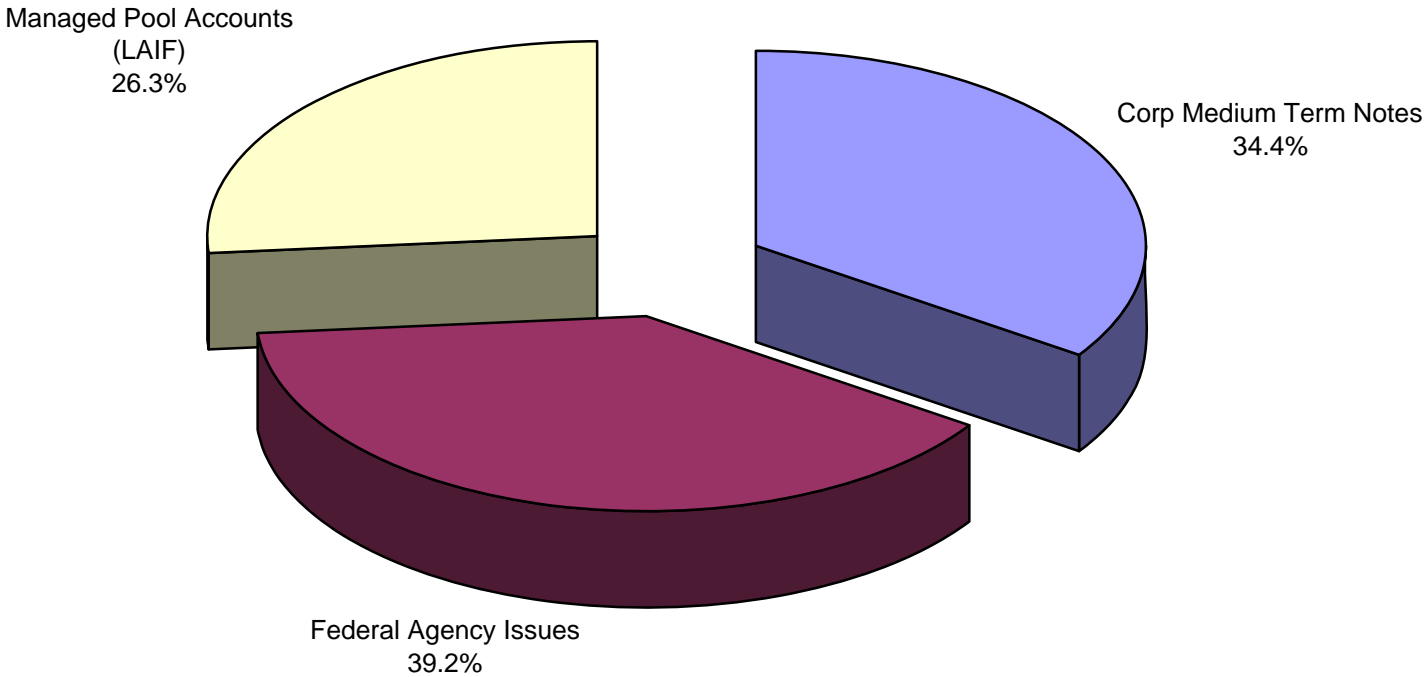
<b>Portfolio</b>	<b>Beginning Balance (Cost)</b>	<b>Purchases or Deposits</b>	<b>Sales/Maturities or Withdrawals</b>	<b>Ending Balance (Cost)</b>	<b>Market Value*</b>
MSR	\$21,771,380	\$3,261,057	\$4,200,000	\$20,832,437	\$20,675,255
MSR Trusts	<u>\$27,523,230</u>	<u>\$5,530,939</u>	<u>\$2,827,494</u>	<u>\$30,226,675</u>	<u>\$30,864,400</u>
	<u><u>\$49,294,610</u></u>	<u><u>\$8,791,996</u></u>	<u><u>\$7,027,494</u></u>	<u><u>\$51,059,112</u></u>	<u><u>\$51,539,655</u></u>

**General Fund Investment Portfolio Guideline Compliance  
February 2010**

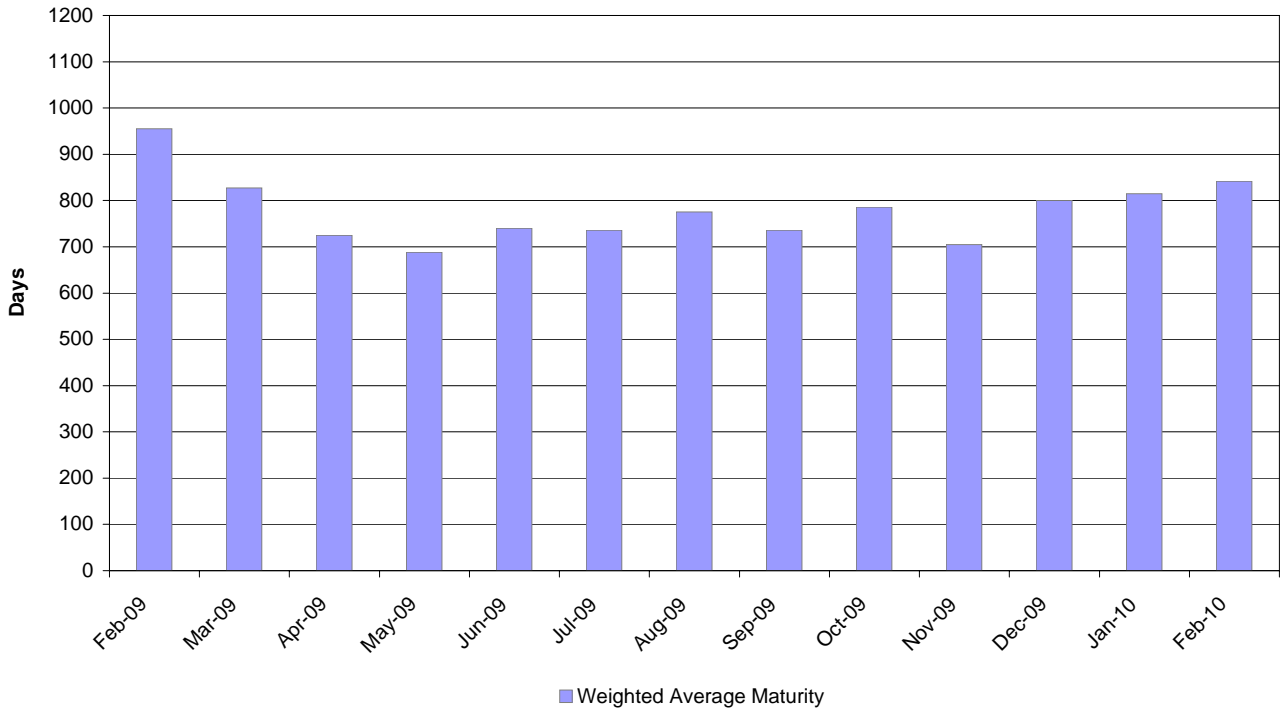
	<b>Standard</b>	<b>Actual</b>	<b>Cost</b>	<b>Market Value*</b>
Corp Medium Term Notes	30%	34.4%	\$7,016,832	\$6,807,760
Federal Agency Issues	No Limit	39.2%	\$8,000,000	\$8,051,890
Managed Pool Accounts (LAIF)	40M	26.3%	\$5,369,443	\$5,369,443
Treasury Securities	No Limit	0.0%	\$0	\$0
Municipal Bonds	No Limit	<u>0.0%</u>	<u>\$0</u>	<u>\$0</u>
		<u>100.0%</u>	<u>\$20,386,275</u>	<u>\$20,229,093</u>
Demand Account Balance	No Limit		<u>\$446,162</u>	<u>\$446,162</u>
Total			<u><u>\$20,832,437</u></u>	<u><u>\$20,675,255</u></u>

\* Source of Market Value information is Union Bank and Bloomberg Financial Systems

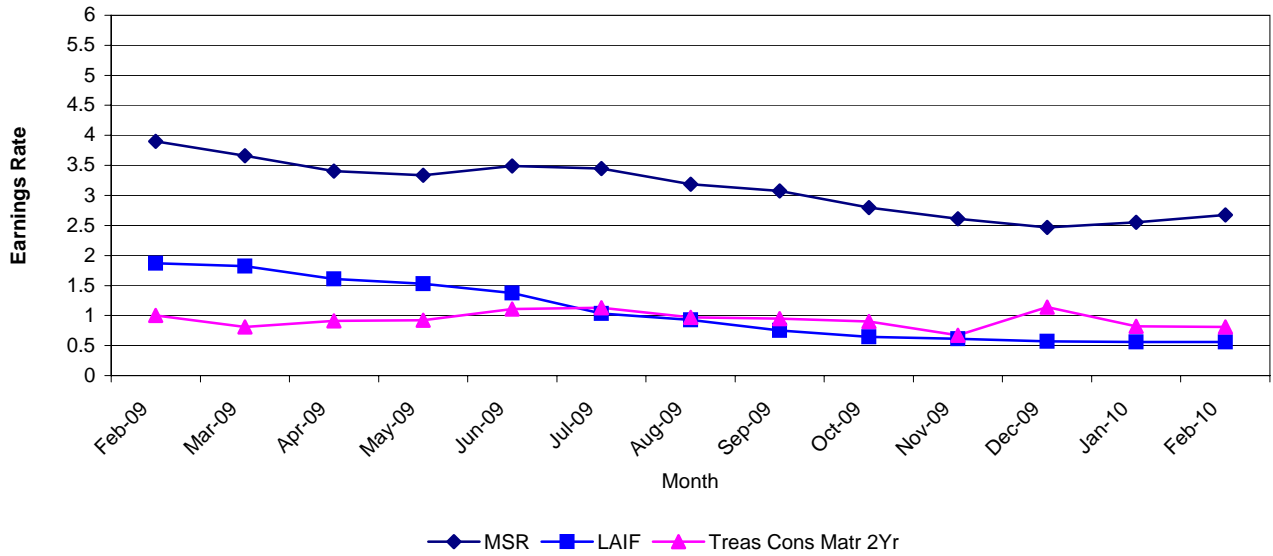
# M-S-R Public Power Agency Investment Portfolio February 2010



### General Fund Portfolio Average Maturity Report



### MSR / LAIF / US Treasury 2-Year





**MSR Public Power Agency**  
**Portfolio Management**  
**Portfolio Summary**  
**February 28, 2010**

Modesto Irrigation District  
 1231 - 11th St.  
 Modesto, CA 95352  
 (209)526-7308

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Term</b>	<b>Days to Maturity</b>	<b>YTM 365 Equiv.</b>
Managed Pool Accounts	5,369,443.06	5,369,443.06	5,369,443.06	26.34	1	1	0.577
Corporate Medium Term Notes	7,000,000.00	6,807,760.00	7,016,832.08	34.42	1,665	921	4.517
Federal Agency Issues - Coupon	8,000,000.00	8,051,890.00	8,000,000.00	39.24	1,460	1,338	2.469
<b>Investments</b>	<b>20,369,443.06</b>	<b>20,229,093.06</b>	<b>20,386,275.14</b>	<b>100.00%</b>	<b>1,146</b>	<b>842</b>	<b>2.675</b>
<b>Cash</b>							
Passbook/Checking (not included in yield calculations)	446,161.97	446,161.97	446,161.97		1	1	0.000
<b>Total Cash and Investments</b>	<b>20,815,605.03</b>	<b>20,675,255.03</b>	<b>20,832,437.11</b>		<b>1,146</b>	<b>842</b>	<b>2.675</b>
<b>Total Earnings</b>	<b>February 28 Month Ending</b>	<b>Fiscal Year To Date</b>					
Current Year	45,283.51	15,712,841.95					
<b>Average Daily Balance</b>	<b>20,087,846.03</b>						

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 Lou Hampel, Treasurer

Portfolio MSRG  
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**MSR Public Power Agency  
Portfolio Management  
Portfolio Details - Investments  
February 28, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity	Maturity Date
<b>Managed Pool Accounts</b>												
SYSLAIF	LAIF	Local Agency Investment Fund		01/01/1999	5,369,443.06	5,369,443.06	5,369,443.06	0.577		0.577	1	
<b>Subtotal and Average</b>			<b>4,876,585.92</b>		<b>5,369,443.06</b>	<b>5,369,443.06</b>	<b>5,369,443.06</b>			<b>0.577</b>	<b>1</b>	
<b>Corporate Medium Term Notes</b>												
02639ENF7	13575	American General Finance		12/06/2007	2,000,000.00	1,606,480.00	2,000,000.00	5.500		5.500	1,020	12/15/2012
06406HBJ7	13699	Bank of New York Mellon		04/08/2008	2,000,000.00	2,141,340.00	2,016,832.08	4.500		4.310	1,127	04/01/2013
36966RW44	13634	General Electric Capital Corp		02/28/2008	3,000,000.00	3,059,940.00	3,000,000.00	4.000		4.000	716	02/15/2012
<b>Subtotal and Average</b>			<b>7,016,832.08</b>		<b>7,000,000.00</b>	<b>6,807,760.00</b>	<b>7,016,832.08</b>			<b>4.517</b>	<b>921</b>	
<b>Federal Agency Issues - Coupon</b>												
3133XUNE9	14549	Federal Home Loan Bank		08/25/2009	2,000,000.00	2,042,500.00	2,000,000.00	2.750		2.750	1,267	08/19/2013
3133XVEW7	14688	Federal Home Loan Bank		10/15/2009	3,000,000.00	3,010,320.00	3,000,000.00	2.500		2.500	1,324	10/15/2013
3128X9RG7	14822	Fed Home Loan Mortgage Corp		12/30/2009	3,000,000.00	2,999,070.00	3,000,000.00	2.250		2.250	1,400	12/30/2013
<b>Subtotal and Average</b>			<b>8,000,000.00</b>		<b>8,000,000.00</b>	<b>8,051,890.00</b>	<b>8,000,000.00</b>			<b>2.469</b>	<b>1,338</b>	
<b>Total Investments and Average</b>			<b>20,087,846.03</b>		<b>20,369,443.06</b>	<b>20,229,093.06</b>	<b>20,386,275.14</b>			<b>2.675</b>	<b>842</b>	

**MSR Public Power Agency  
Portfolio Management  
Portfolio Details - Cash  
February 28, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity
<b>Passbook/Checking Accounts</b>											
SYSGENERAL FUND	GENERAL FUND	Union Bank of California		01/01/1999	446,161.97	446,161.97	446,161.97			0.000	1
		<b>Average Balance</b>	<b>0.00</b>								<b>1</b>
<b>Total Cash and Investments</b>			<b>20,087,846.03</b>		<b>20,815,605.03</b>	<b>20,675,255.03</b>	<b>20,832,437.11</b>			<b>2.675</b>	<b>842</b>

**MSR Public Power Agency  
Portfolio Management  
Investment Status Report - Investments  
February 28, 2010**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Purchase Principal	Book Value
<b>Managed Pool Accounts</b>												
SYSLAIF	LAIF	LAIF	5,369,443.06	0.577		01/01/1999	0.569	0.577	01/15 - Quarterly		5,369,443.06	5,369,443.06
<b>Managed Pool Accounts Totals</b>			<b>5,369,443.06</b>				<b>0.569</b>	<b>0.577</b>		<b>0.00</b>	<b>5,369,443.06</b>	<b>5,369,443.06</b>
<b>Corporate Medium Term Notes</b>												
02639ENF7	13575	AMERIC	2,000,000.00	5.500	12/15/2012	12/06/2007	5.425	5.500	06/15 - 12/15		2,000,000.00	2,000,000.00
06406HBJ7	13699	BNYM	2,000,000.00	4.500	04/01/2013	04/08/2008	4.251	4.310	10/01 - 04/01	Received	2,016,832.08	2,016,832.08
36966RW44	13634	GEC	3,000,000.00	4.000	02/15/2012	02/28/2008	3.946	4.000	08/15 - 02/15		3,000,000.00	3,000,000.00
<b>Corporate Medium Term Notes Totals</b>			<b>7,000,000.00</b>				<b>4.455</b>	<b>4.517</b>		<b>0.00</b>	<b>7,016,832.08</b>	<b>7,016,832.08</b>
<b>Federal Agency Issues - Coupon</b>												
3133XUNE9	14549	FHLB	2,000,000.00	2.750	08/19/2013	08/25/2009	2.712	2.750	02/19 - 08/19	Received	2,000,000.00	2,000,000.00
3133XVEW7	14688	FHLB	3,000,000.00	2.500	10/15/2013	10/15/2009	2.466	2.500	04/15 - 10/15		3,000,000.00	3,000,000.00
3128X9RG7	14822	FREDMC	3,000,000.00	2.250	12/30/2013	12/30/2009	2.219	2.250	06/30 - 12/31		3,000,000.00	3,000,000.00
<b>Federal Agency Issues - Coupon Totals</b>			<b>8,000,000.00</b>				<b>2.435</b>	<b>2.469</b>		<b>0.00</b>	<b>8,000,000.00</b>	<b>8,000,000.00</b>
<b>Investment Totals</b>			<b>20,369,443.06</b>				<b>2.639</b>	<b>2.675</b>		<b>0.00</b>	<b>20,386,275.14</b>	<b>20,386,275.14</b>



**MSR Public Power Agency  
Portfolio Management  
Investment Status Report - Cash  
February 28, 2010**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Purchase Principal	Book Value
<b>Passbook/Checking Accounts</b>												
SYSGENERAL FUND	GENERAL FUND	UBC	446,161.97			01/01/1999	0.000	0.000	/ - Monthly		446,161.97	446,161.97
<b>Cash Totals</b>			<b>446,161.97</b>							<b>0.00</b>	<b>446,161.97</b>	<b>446,161.97</b>
<b>Totals for Cash and Investments</b>			<b>20,815,605.03</b>				<b>2.639</b>	<b>2.675</b>		<b>0.00</b>	<b>20,832,437.11</b>	<b>20,832,437.11</b>

**MSR Public Power Agency  
Portfolio Management  
Investment Activity By Type  
February 1, 2010 through February 28, 2010**

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Sales/Maturities or Withdrawals	Ending Balance
<b>Managed Pool Accounts (Monthly Summary)</b>								
SYSLAIF	LAIF	Local Agency Investment Fund		0.577		3,000,000.00	4,200,000.00	
		<b>Subtotal</b>	<b>6,569,443.06</b>			<b>3,000,000.00</b>	<b>4,200,000.00</b>	<b>5,369,443.06</b>
<b>Passbook/Checking Accounts (Monthly Summary)</b>								
SYSGENERAL FUND	GENERAL FUND	Union Bank of California				261,057.42	0.00	
		<b>Subtotal</b>	<b>185,104.55</b>			<b>261,057.42</b>	<b>0.00</b>	<b>446,161.97</b>
<b>Corporate Medium Term Notes</b>								
		<b>Subtotal</b>	<b>7,016,832.08</b>					<b>7,016,832.08</b>
<b>Federal Agency Issues - Coupon</b>								
		<b>Subtotal</b>	<b>8,000,000.00</b>					<b>8,000,000.00</b>
		<b>Total</b>	<b>21,771,379.69</b>			<b>3,261,057.42</b>	<b>4,200,000.00</b>	<b>20,832,437.11</b>



**MSR Public Power Agency**  
**Received Interest**  
**Sorted by Date Received - Grouped by Fund**  
**Received February 1, 2010 - February 28, 2010**

Modesto Irrigation District  
 1231 - 11th St.  
 Modesto, CA 95352  
 (209)526-7308

Date Received	CUSIP	Investment #	Investment Type	Par Value	Current Rate	Date Due	Received	Interest		Variance
								P & I Due	Amount Received	
<b>Fund: MSR Corporate Debt</b>										
<b>February 2010</b>	36966RW44	13634	MTN	3,000,000.00	4.000	02/15/2010	02/16/2010	60,000.00	60,000.00	-
	3133XUNE9	14549	FAC	2,000,000.00	2.750	02/19/2010	02/19/2010	27,500.00	27,500.00	-
							<b>Subtotal</b>	<b>87,500.00</b>	<b>87,500.00</b>	
							<b>MSR Corporate Debt Subtotal</b>	<b>87,500.00</b>	<b>87,500.00</b>	
							<b>Total</b>	<b>87,500.00</b>	<b>87,500.00</b>	
							<b>Total Cash Overpayment</b>	<b>0.00</b>		
							<b>Total Cash Shortfall</b>	<b>0.00</b>		



**MSR Public Power Agency**  
**Activity Report**  
**Issuer: Local Agency Investment Fund**  
**February 1, 2010 - February 28, 2010**

Modesto Irrigation District  
 1231 - 11th St.  
 Modesto, CA 95352  
 (209)526-7308

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Par Value		Ending Balance
				Beginning Balance	Current Rate		Purchases or Deposits	Sales/Calls/Maturities or Withdrawals	
<b>Issuer: Local Agency Investment Fund</b>									
<b>Managed Pool Accounts</b>									
SYSLAIF	LAIF	Local Agency Investment Fund			0.577		3,000,000.00	4,200,000.00	
		<b>Subtotal and Balance</b>		<b>6,569,443.06</b>			<b>3,000,000.00</b>	<b>4,200,000.00</b>	<b>5,369,443.06</b>
		<b>Issuer Subtotal</b>	<b>25.795%</b>	<b>6,569,443.06</b>			<b>3,000,000.00</b>	<b>4,200,000.00</b>	<b>5,369,443.06</b>
		<b>Total</b>		<b>6,569,443.06</b>			<b>3,000,000.00</b>	<b>4,200,000.00</b>	<b>5,369,443.06</b>

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**MSR Public Power Agency Trust  
Portfolio Management  
Portfolio Summary  
February 28, 2010**

Modesto Irrigation District  
1231 - 11th St.  
Modesto, CA 95352  
(209)526-7308

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Term</b>	<b>Days to Maturity</b>	<b>YTM 365 Equiv.</b>
Federal Agency Issues - Coupon	13,400,000.00	13,878,806.00	13,241,029.89	47.87	1,086	593	3.425
Federal Agency Issues - Discount	14,425,000.00	14,418,058.10	14,418,109.05	52.13	150	122	0.117
<b>Investments</b>	<b>27,825,000.00</b>	<b>28,296,864.10</b>	<b>27,659,138.94</b>	<b>100.00%</b>	<b>598</b>	<b>347</b>	<b>1.701</b>
<b>Cash</b>							
Passbook/Checking (not included in yield calculations)	2,567,536.20	2,567,536.20	2,567,536.20		1	1	0.010
<b>Total Cash and Investments</b>	<b>30,392,536.20</b>	<b>30,864,400.30</b>	<b>30,226,675.14</b>		<b>598</b>	<b>347</b>	<b>1.701</b>
<b>Total Earnings</b>	<b>February 28 Month Ending</b>	<b>Fiscal Year To Date</b>					
Current Year	33,887.95	8,016,764.21					
<b>Average Daily Balance</b>	<b>27,909,436.32</b>						

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Lou Hampel, Treasurer

**MSR Public Power Agency Trust  
Portfolio Management  
Portfolio Details - Investments  
February 28, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity	Maturity Date
<b>Federal Agency Issues - Coupon</b>												
3133XRFL9	13816	Federal Home Loan Bank		06/11/2008	2,600,000.00	2,808,806.00	2,588,341.89	4.250		4.351	1,201	06/14/2013
3133XQQQ8	14006	Federal Home Loan Bank		11/25/2008	6,550,000.00	6,713,750.00	6,460,658.00	2.625		3.200	445	05/20/2011
3133XQQQ8	14007	Federal Home Loan Bank		11/25/2008	3,120,000.00	3,198,000.00	3,077,443.20	2.625		3.200	445	05/20/2011
3133XQQQ8	14008	Federal Home Loan Bank		11/25/2008	1,130,000.00	1,158,250.00	1,114,586.80	2.625		3.200	445	05/20/2011
<b>Subtotal and Average</b>			<b>13,241,029.89</b>		<b>13,400,000.00</b>	<b>13,878,806.00</b>	<b>13,241,029.89</b>			<b>3.425</b>	<b>593</b>	
<b>Federal Agency Issues - Discount</b>												
313589YU1	14865	Federal Nat'l Mtg. Assoc.		01/26/2010	221,000.00	220,889.50	220,894.65			0.112	122	07/01/2010
313589YU1	14866	Federal Nat'l Mtg. Assoc.		01/26/2010	85,000.00	84,957.50	84,959.48			0.112	122	07/01/2010
313589YU1	14867	Federal Nat'l Mtg. Assoc.		01/26/2010	2,238,000.00	2,236,881.00	2,236,933.22			0.112	122	07/01/2010
313589YU1	14868	Federal Nat'l Mtg. Assoc.		01/26/2010	181,000.00	180,909.50	180,913.73			0.112	122	07/01/2010
313589YU1	14869	Federal Nat'l Mtg. Assoc.		01/26/2010	2,809,000.00	2,807,595.50	2,807,661.04			0.112	122	07/01/2010
313589YU1	14870	Federal Nat'l Mtg. Assoc.		01/26/2010	32,000.00	31,984.00	31,984.75			0.112	122	07/01/2010
313589YU1	14871	Federal Nat'l Mtg. Assoc.		01/26/2010	4,598,000.00	4,595,701.00	4,595,808.29			0.112	122	07/01/2010
313589YU1	14872	Federal Nat'l Mtg. Assoc.		01/26/2010	195,000.00	194,902.50	194,907.05			0.112	122	07/01/2010
313589YU1	14873	Federal Nat'l Mtg. Assoc.		01/26/2010	473,000.00	472,763.50	472,774.54			0.112	122	07/01/2010
313589YU1	14874	Federal Nat'l Mtg. Assoc.		01/26/2010	490,000.00	489,755.00	489,766.43			0.112	122	07/01/2010
313589YU1	14875	Federal Nat'l Mtg. Assoc.		01/26/2010	397,000.00	396,801.50	396,810.76			0.112	122	07/01/2010
313589YT4	14955	Federal Nat'l Mtg. Assoc.		02/26/2010	221,000.00	220,911.60	220,893.42			0.142	121	06/30/2010
313589YT4	14956	Federal Nat'l Mtg. Assoc.		02/26/2010	86,000.00	85,965.60	85,958.53			0.142	121	06/30/2010
313589YT4	14957	Federal Nat'l Mtg. Assoc.		02/26/2010	320,000.00	319,872.00	319,845.69			0.142	121	06/30/2010
313589YT4	14958	Federal Nat'l Mtg. Assoc.		02/26/2010	181,000.00	180,927.60	180,912.72			0.142	121	06/30/2010
313589YT4	14959	Federal Nat'l Mtg. Assoc.		02/26/2010	403,000.00	402,838.80	402,805.66			0.142	121	06/30/2010
313589YT4	14960	Federal Nat'l Mtg. Assoc.		02/26/2010	32,000.00	31,987.20	31,984.57			0.142	121	06/30/2010
313589YT4	14961	Federal Nat'l Mtg. Assoc.		02/26/2010	655,000.00	654,738.00	654,684.15			0.142	121	06/30/2010
313589YT4	14962	Federal Nat'l Mtg. Assoc.		02/26/2010	194,000.00	193,922.40	193,906.45			0.142	121	06/30/2010
313589YT4	14963	Federal Nat'l Mtg. Assoc.		02/26/2010	67,000.00	66,973.20	66,967.69			0.142	121	06/30/2010
313589YT4	14964	Federal Nat'l Mtg. Assoc.		02/26/2010	491,000.00	490,803.60	490,763.23			0.142	121	06/30/2010
313589YT4	14965	Federal Nat'l Mtg. Assoc.		02/26/2010	56,000.00	55,977.60	55,973.00			0.142	121	06/30/2010
<b>Subtotal and Average</b>			<b>12,003,202.70</b>		<b>14,425,000.00</b>	<b>14,418,058.10</b>	<b>14,418,109.05</b>			<b>0.117</b>	<b>122</b>	
<b>Total Investments and Average</b>			<b>27,909,436.32</b>		<b>27,825,000.00</b>	<b>28,296,864.10</b>	<b>27,659,138.94</b>			<b>1.701</b>	<b>347</b>	

**MSR Public Power Agency Trust  
Portfolio Management  
Portfolio Details - Cash  
February 28, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity
<b>Passbook/Checking Accounts</b>											
SYS0741MONEY	0741MONEY	U S BANK		09/26/2001	774.56	774.56	774.56	0.010		0.010	1
SYS0744 MONEY	0744 MONEY	U S BANK		09/26/2001	394,977.03	394,977.03	394,977.03	0.010		0.010	1
SYS1400 MONEY	1400 MONEY	U S BANK			0.00	0.00	0.00	0.500		0.500	1
SYS1401 MONEY	1401 MONEY	U S BANK			0.00	0.00	0.00	4.400		4.400	1
SYS1402 MONEY	1402 MONEY	U S BANK			0.00	0.00	0.00	4.400		4.400	1
SYS1403 MONEY	1403 MONEY	U S BANK			469,667.34	469,667.34	469,667.34	0.010		0.010	1
SYS1405 MONEY	1405 MONEY	U S BANK			0.00	0.00	0.00	5.030		5.030	1
SYS2400 MONEY	2400 MONEY	U S BANK		06/06/2003	0.00	0.00	0.00	1.510		1.510	1
SYS2401 MONEY	2401 MONEY	U S BANK		06/06/2003	0.00	0.00	0.00	1.510		1.510	1
SYS2402 MONEY	2402 MONEY	U S BANK		06/27/2003	0.00	0.00	0.00	0.570		0.570	1
SYS2404 MONEY	2404 MONEY	U S BANK		05/29/2003	0.00	0.00	0.00	0.510		0.510	1
SYS30000 MONEY	30000 MONEY	U S BANK		05/01/2009	107,679.82	107,679.82	107,679.82	0.010		0.010	1
SYS30001 MONEY	30001 MONEY	U S BANK		12/24/2008	224.50	224.50	224.50	0.010		0.010	1
SYS30002 MONEY	30002 MONEY	U S BANK		01/26/2009	777.50	777.50	777.50	0.010		0.010	1
SYS30003 MONEY	30003 MONEY	U S BANK		07/23/2008	85,968.75	85,968.75	85,968.75	0.010		0.010	1
SYS30004 MONEY	30004 MONEY	U S BANK		07/24/2008	0.00	0.00	0.00	0.010		0.010	1
SYS30005 MONEY	30005 MONEY	U S BANK		07/24/2008	934,814.80	934,814.80	934,814.80	0.010		0.010	1
SYS31000 MONEY	31000 MONEY	U S BANK		05/01/2009	90,825.85	90,825.85	90,825.85	0.010		0.010	1
SYS31003 MONEY	31003 MONEY	U S BANK		07/23/2008	0.00	0.00	0.00	0.010		0.010	1
SYS31006 MONEY	31006 MONEY	U S BANK		07/24/2008	0.00	0.00	0.00	0.010		0.010	1
SYS32000 MONEY	32000 MONEY	U S BANK		05/01/2009	33,774.79	33,774.79	33,774.79	0.010		0.010	1
SYS32003 MONEY	32003 MONEY	U S BANK		07/24/2008	0.00	0.00	0.00	0.010		0.010	1
SYS32006 MONEY	32006 MONEY	U S BANK		07/24/2008	0.00	0.00	0.00	0.010		0.010	1
SYS5570 MONEY	5570 MONEY	U S BANK			0.00	0.00	0.00	2.700		2.700	1
SYS5571 MONEY	5571 MONEY	U S BANK			0.00	0.00	0.00	2.700		2.700	1
SYS5572 MONEY	5572 MONEY	U S BANK			0.00	0.00	0.00	6.000		6.000	1
SYS5580 MONEY	5580 MONEY	U S BANK			0.00	0.00	0.00	0.035		0.035	1
SYS5581 MONEY	5581 MONEY	U S BANK			0.00	0.00	0.00	1.510		1.510	1
SYS5590 MONEY	5590 MONEY	U S BANK			443.14	443.14	443.14	0.010		0.010	1
SYS5591 MONEY	5591 MONEY	U S BANK			231,950.00	231,950.00	231,950.00	0.010		0.010	1
SYS5592 MONEY	5592 MONEY	U S BANK		04/30/2004	0.00	0.00	0.00	1.640		1.640	1
SYS5593 MONEY	5593 MONEY	U S BANK		05/03/2004	0.00	0.00	0.00	0.470		0.470	1
SYS5600 MONEY	5600 MONEY	U S BANK			0.00	0.00	0.00	0.520		0.520	1
SYS5601 MONEY	5601 MONEY	U S BANK			0.00	0.00	0.00	1.550		1.550	1
SYS5602 MONEY	5602 MONEY	U S BANK			0.00	0.00	0.00	5.100		5.100	1
SYS6680 MONEY	6680 MONEY	U S BANK			0.00	0.00	0.00	6.000		6.000	1
SYS6681 MONEY	6681 MONEY	U S BANK			0.00	0.00	0.00	5.020		5.020	1
SYS6810 MONEY	6810 MONEY	U S BANK			0.00	0.00	0.00	6.100		6.100	1
SYS6811 MONEY	6811 MONEY	U S BANK			0.00	0.00	0.00	4.400		4.400	1

**MSR Public Power Agency Trust  
Portfolio Management  
Portfolio Details - Cash  
February 28, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity
<b>Passbook/Checking Accounts</b>											
SYS6813 MONEY	6813 MONEY	U S BANK			0.00	0.00	0.00	4.400		4.400	1
SYS69000 MONEY	69000 MONEY	U S BANK		05/01/2009	205,888.35	205,888.35	205,888.35	0.010		0.010	1
SYS69001 MONEY	69001 MONEY	U S BANK		12/24/2007	602.81	602.81	602.81	0.010		0.010	1
SYS69002 MONEY	69002 MONEY	U S BANK		01/25/2008	760.08	760.08	760.08	0.010		0.010	1
SYS69003 MONEY	69003 MONEY	U S BANK		12/04/2007	5,680.00	5,680.00	5,680.00	0.010		0.010	1
SYS69004 MONEY	69004 MONEY	U S BANK		12/04/2007	0.00	0.00	0.00	0.035		0.035	1
SYS6990 MONEY	6990 MONEY	U S BANK			0.00	0.00	0.00	1.370		1.370	1
SYS6991 MONEY	6991 MONEY	U S BANK			0.00	0.00	0.00	1.370		1.370	1
SYS6992 MONEY	6992 MONEY	U S BANK			0.00	0.00	0.00	1.370		1.370	1
SYS6993 MONEY	6993 MONEY	U S BANK			0.00	0.00	0.00	1.370		1.370	1
SYS7260 MONEY	7260 MONEY	U S BANK			0.11	0.11	0.11	0.010		0.010	1
SYS7261 MONEY	7261 MONEY	U S BANK			687.49	687.49	687.49	0.010		0.010	1
SYS7262 MONEY	7262 MONEY	U S BANK			424.53	424.53	424.53	0.010		0.010	1
SYS7267 MONEY	7267 MONEY	U S BANK			0.00	0.00	0.00	5.060		5.060	1
SYS7510 MONEY	7510 MONEY	U S BANK			0.00	0.00	0.00	0.035		0.035	1
SYS7511 MONEY	7511 MONEY	U S BANK			0.00	0.00	0.00	1.400		1.400	1
SYS7512 MONEY	7512 MONEY	U S BANK		01/01/2001	0.00	0.00	0.00	5.000		5.000	1
SYS7514 MONEY	7514 MONEY	U S BANK			0.00	0.00	0.00	0.520		0.520	1
SYS8440 MONEY	8440 MONEY	U S BANK			0.00	0.00	0.00	1.500		1.500	1
SYS8441 MONEY	8441 MONEY	U S BANK			0.00	0.00	0.00	1.500		1.500	1
SYS8442 MONEY	8442 MONEY	U S BANK			0.00	0.00	0.00	4.350		4.350	1
SYS8443 MONEY	8443 MONEY	U S BANK			0.00	0.00	0.00	1.500		1.500	1
SYS8444 MONEY	8444 MONEY	U S BANK			0.00	0.00	0.00	0.970		0.970	1
SYS8940 MONEY	8940 MONEY	U S BANK		01/01/2001	0.00	0.00	0.00	0.035		0.035	1
SYS8942 MONEY	8942 MONEY	U S BANK			0.00	0.00	0.00	1.400		1.400	1
SYS8944 MONEY	8944 MONEY	U S BANK			0.00	0.00	0.00	5.500		5.500	1
SYS9000 MONEY	9000 MONEY	U S BANK		06/25/2004	35.30	35.30	35.30	0.010		0.010	1
SYS9001 MONEY	9001 MONEY	U S BANK		05/25/2004	768.76	768.76	768.76	0.010		0.010	1
SYS9002 MONEY	9002 MONEY	U S BANK		05/25/2004	810.69	810.69	810.69	0.010		0.010	1
SYS9004 MONEY	9004 MONEY	U S BANK		05/03/2004	0.00	0.00	0.00	0.510		0.510	1
		<b>Average Balance</b>	<b>0.00</b>								<b>1</b>
<b>Total Cash and Investments</b>			<b>27,909,436.32</b>		<b>30,392,536.20</b>	<b>30,864,400.30</b>	<b>30,226,675.14</b>			<b>1.701</b>	<b>347</b>



**MSR Public Power Agency Trust  
Portfolio Management  
Investment Status Report - Investments  
February 28, 2010**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Purchase Principal	Book Value
<b>Federal Agency Issues - Coupon</b>												
3133XRFL9	13816	FHLB	2,600,000.00	4.250	06/14/2013	06/11/2008	4.291	4.351	12/14 - 06/14	Received	2,588,341.89	2,588,341.89
3133XQQQ8	14006	FHLB	6,550,000.00	2.625	05/20/2011	11/25/2008	3.156	3.200	05/20 - 11/20	Received	6,460,658.00	6,460,658.00
3133XQQQ8	14007	FHLB	3,120,000.00	2.625	05/20/2011	11/25/2008	3.156	3.200	05/20 - 11/20	Received	3,077,443.20	3,077,443.20
3133XQQQ8	14008	FHLB	1,130,000.00	2.625	05/20/2011	11/25/2008	3.156	3.200	05/20 - 11/20	Received	1,114,586.80	1,114,586.80
<b>Federal Agency Issues - Coupon Totals</b>			<b>13,400,000.00</b>				<b>3.378</b>	<b>3.425</b>		<b>0.00</b>	<b>13,241,029.89</b>	<b>13,241,029.89</b>
<b>Federal Agency Issues - Discount</b>												
313589YU1	14865	FNMA	221,000.00		07/01/2010	01/26/2010	0.110	0.112	07/01 - At Maturity		220,894.65	220,894.65
313589YU1	14866	FNMA	85,000.00		07/01/2010	01/26/2010	0.110	0.112	07/01 - At Maturity		84,959.48	84,959.48
313589YU1	14867	FNMA	2,238,000.00		07/01/2010	01/26/2010	0.110	0.112	07/01 - At Maturity		2,236,933.22	2,236,933.22
313589YU1	14868	FNMA	181,000.00		07/01/2010	01/26/2010	0.110	0.112	07/01 - At Maturity		180,913.73	180,913.73
313589YU1	14869	FNMA	2,809,000.00		07/01/2010	01/26/2010	0.110	0.112	07/01 - At Maturity		2,807,661.04	2,807,661.04
313589YU1	14870	FNMA	32,000.00		07/01/2010	01/26/2010	0.110	0.112	07/01 - At Maturity		31,984.75	31,984.75
313589YU1	14871	FNMA	4,598,000.00		07/01/2010	01/26/2010	0.110	0.112	07/01 - At Maturity		4,595,808.29	4,595,808.29
313589YU1	14872	FNMA	195,000.00		07/01/2010	01/26/2010	0.110	0.112	07/01 - At Maturity		194,907.05	194,907.05
313589YU1	14873	FNMA	473,000.00		07/01/2010	01/26/2010	0.110	0.112	07/01 - At Maturity		472,774.54	472,774.54
313589YU1	14874	FNMA	490,000.00		07/01/2010	01/26/2010	0.110	0.112	07/01 - At Maturity		489,766.43	489,766.43
313589YU1	14875	FNMA	397,000.00		07/01/2010	01/26/2010	0.110	0.112	07/01 - At Maturity		396,810.76	396,810.76
313589YT4	14955	FNMA	221,000.00		06/30/2010	02/26/2010	0.140	0.142	06/30 - At Maturity		220,893.42	220,893.42
313589YT4	14956	FNMA	86,000.00		06/30/2010	02/26/2010	0.140	0.142	06/30 - At Maturity		85,958.53	85,958.53
313589YT4	14957	FNMA	320,000.00		06/30/2010	02/26/2010	0.140	0.142	06/30 - At Maturity		319,845.69	319,845.69
313589YT4	14958	FNMA	181,000.00		06/30/2010	02/26/2010	0.140	0.142	06/30 - At Maturity		180,912.72	180,912.72
313589YT4	14959	FNMA	403,000.00		06/30/2010	02/26/2010	0.140	0.142	06/30 - At Maturity		402,805.66	402,805.66
313589YT4	14960	FNMA	32,000.00		06/30/2010	02/26/2010	0.140	0.142	06/30 - At Maturity		31,984.57	31,984.57
313589YT4	14961	FNMA	655,000.00		06/30/2010	02/26/2010	0.140	0.142	06/30 - At Maturity		654,684.15	654,684.15
313589YT4	14962	FNMA	194,000.00		06/30/2010	02/26/2010	0.140	0.142	06/30 - At Maturity		193,906.45	193,906.45
313589YT4	14963	FNMA	67,000.00		06/30/2010	02/26/2010	0.140	0.142	06/30 - At Maturity		66,967.69	66,967.69
313589YT4	14964	FNMA	491,000.00		06/30/2010	02/26/2010	0.140	0.142	06/30 - At Maturity		490,763.23	490,763.23
313589YT4	14965	FNMA	56,000.00		06/30/2010	02/26/2010	0.140	0.142	06/30 - At Maturity		55,973.00	55,973.00
<b>Federal Agency Issues - Discount Totals</b>			<b>14,425,000.00</b>				<b>0.116</b>	<b>0.117</b>		<b>0.00</b>	<b>14,418,109.05</b>	<b>14,418,109.05</b>
<b>Investment Totals</b>			<b>27,825,000.00</b>				<b>1.677</b>	<b>1.701</b>		<b>0.00</b>	<b>27,659,138.94</b>	<b>27,659,138.94</b>

**MSR Public Power Agency Trust**  
**Portfolio Management**  
**Investment Status Report - Cash**  
**February 28, 2010**

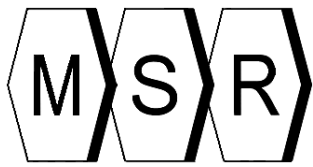
CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Purchase Principal	Book Value
<b>Passbook/Checking Accounts</b>												
SYS0741MONEY	0741MONEY	USBANK	774.56	0.010		09/26/2001	0.010	0.010	09/26 - Monthly		774.56	774.56
SYS0744 MONEY	0744 MONEY	USBANK	394,977.03	0.010		09/26/2001	0.010	0.010	09/26 - Monthly		394,977.03	394,977.03
SYS1400 MONEY	1400 MONEY	USBANK	0.00	0.500			0.493	0.500	01/02 - Monthly		0.00	0.00
SYS1401 MONEY	1401 MONEY	USBANK	0.00	4.400			4.340	4.400	01/02 - Monthly		0.00	0.00
SYS1402 MONEY	1402 MONEY	USBANK	0.00	4.400			4.340	4.400	01/02 - Monthly		0.00	0.00
SYS1403 MONEY	1403 MONEY	USBANK	469,667.34	0.010			0.010	0.010	01/02 - Monthly		469,667.34	469,667.34
SYS1405 MONEY	1405 MONEY	USBANK	0.00	5.030			4.961	5.030	01/02 - Monthly		0.00	0.00
SYS2400 MONEY	2400 MONEY	USBANK	0.00	1.510		06/06/2003	1.489	1.510	07/01 - Monthly		0.00	0.00
SYS2401 MONEY	2401 MONEY	USBANK	0.00	1.510		06/06/2003	1.489	1.510	07/01 - Monthly		0.00	0.00
SYS2402 MONEY	2402 MONEY	USBANK	0.00	0.570		06/27/2003	0.562	0.570	07/01 - Monthly		0.00	0.00
SYS2404 MONEY	2404 MONEY	USBANK	0.00	0.510		05/29/2003	0.503	0.510	06/01 - Monthly		0.00	0.00
SYS30000 MONEY	30000 MONEY	USBANK	107,679.82	0.010		05/01/2009	0.010	0.010	05/01 - Monthly		107,679.82	107,679.82
SYS30001 MONEY	30001 MONEY	USBANK	224.50	0.010		12/24/2008	0.010	0.010	01/01 - Monthly		224.50	224.50
SYS30002 MONEY	30002 MONEY	USBANK	777.50	0.010		01/26/2009	0.010	0.010	01/26 - Monthly		777.50	777.50
SYS30003 MONEY	30003 MONEY	USBANK	85,968.75	0.010		07/23/2008	0.010	0.010	08/01 - Monthly		85,968.75	85,968.75
SYS30004 MONEY	30004 MONEY	USBANK	0.00	0.010		07/24/2008	0.010	0.010	08/01 - Monthly		0.00	0.00
SYS30005 MONEY	30005 MONEY	USBANK	934,814.80	0.010		07/24/2008	0.010	0.010	08/01 - Monthly		934,814.80	934,814.80
SYS31000 MONEY	31000 MONEY	USBANK	90,825.85	0.010		05/01/2009	0.010	0.010	05/01 - Monthly		90,825.85	90,825.85
SYS31003 MONEY	31003 MONEY	USBANK	0.00	0.010		07/23/2008	0.010	0.010	08/01 - Monthly		0.00	0.00
SYS31006 MONEY	31006 MONEY	USBANK	0.00	0.010		07/24/2008	0.010	0.010	08/01 - Monthly		0.00	0.00
SYS32000 MONEY	32000 MONEY	USBANK	33,774.79	0.010		05/01/2009	0.010	0.010	05/01 - Monthly		33,774.79	33,774.79
SYS32003 MONEY	32003 MONEY	USBANK	0.00	0.010		07/24/2008	0.010	0.010	08/01 - Monthly		0.00	0.00
SYS32006 MONEY	32006 MONEY	USBANK	0.00	0.010		07/24/2008	0.010	0.010	08/01 - Monthly		0.00	0.00
SYS5570 MONEY	5570 MONEY	USBANK	0.00	2.700			2.663	2.700	01/01 - Monthly		0.00	0.00
SYS5571 MONEY	5571 MONEY	USBANK	0.00	2.700			2.663	2.700	01/01 - Monthly		0.00	0.00
SYS5572 MONEY	5572 MONEY	USBANK	0.00	6.000			5.918	6.000	01/01 - Monthly		0.00	0.00
SYS5580 MONEY	5580 MONEY	USBANK	0.00	0.035			0.035	0.035	01/01 - Monthly		0.00	0.00
SYS5581 MONEY	5581 MONEY	USBANK	0.00	1.510			1.489	1.510	01/01 - Monthly		0.00	0.00
SYS5590 MONEY	5590 MONEY	USBANK	443.14	0.010			0.010	0.010	01/01 - Monthly		443.14	443.14
SYS5591 MONEY	5591 MONEY	USBANK	231,950.00	0.010			0.010	0.010	01/01 - Monthly		231,950.00	231,950.00
SYS5592 MONEY	5592 MONEY	USBANK	0.00	1.640		04/30/2004	1.618	1.640	04/30 - Monthly		0.00	0.00
SYS5593 MONEY	5593 MONEY	USBANK	0.00	0.470		05/03/2004	0.464	0.470	05/03 - Monthly		0.00	0.00
SYS5600 MONEY	5600 MONEY	USBANK	0.00	0.520			0.513	0.520	01/01 - Monthly		0.00	0.00
SYS5601 MONEY	5601 MONEY	USBANK	0.00	1.550			1.529	1.550	01/01 - Monthly		0.00	0.00
SYS5602 MONEY	5602 MONEY	USBANK	0.00	5.100			5.030	5.100	01/01 - Monthly		0.00	0.00
SYS6680 MONEY	6680 MONEY	USBANK	0.00	6.000			5.918	6.000	01/02 - Monthly		0.00	0.00
SYS6681 MONEY	6681 MONEY	USBANK	0.00	5.020			4.951	5.020	01/02 - Monthly		0.00	0.00

**MSR Public Power Agency Trust  
Portfolio Management  
Investment Status Report - Cash  
February 28, 2010**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Purchase Principal	Book Value
<b>Passbook/Checking Accounts</b>												
SYS6810 MONEY	6810 MONEY	USBANK	0.00	6.100			6.016	6.100	01/02 - Monthly		0.00	0.00
SYS6811 MONEY	6811 MONEY	USBANK	0.00	4.400			4.340	4.400	01/02 - Monthly		0.00	0.00
SYS6813 MONEY	6813 MONEY	USBANK	0.00	4.400			4.340	4.400	01/02 - Monthly		0.00	0.00
SYS69000 MONEY	69000 MONEY	USBANK	205,888.35	0.010		05/01/2009	0.010	0.010	05/01 - Monthly		205,888.35	205,888.35
SYS69001MONEY	69001 MONEY	USBANK	602.81	0.010		12/24/2007	0.010	0.010	01/01 - Monthly		602.81	602.81
SYS69002 MONEY	69002 MONEY	USBANK	760.08	0.010		01/25/2008	0.010	0.010	01/25 - Monthly		760.08	760.08
SYS69003MONEY	69003 MONEY	USBANK	5,680.00	0.010		12/04/2007	0.010	0.010	01/01 - Monthly		5,680.00	5,680.00
SYS69004 MONEY	69004 MONEY	USBANK	0.00	0.035		12/04/2007	0.035	0.035	01/01 - Monthly		0.00	0.00
SYS6990 MONEY	6990 MONEY	USBANK	0.00	1.370			1.351	1.370	01/02 - Monthly		0.00	0.00
SYS6991 MONEY	6991 MONEY	USBANK	0.00	1.370			1.351	1.370	01/02 - Monthly		0.00	0.00
SYS6992 MONEY	6992 MONEY	USBANK	0.00	1.370			1.351	1.370	01/02 - Monthly		0.00	0.00
SYS6993 MONEY	6993 MONEY	USBANK	0.00	1.370			1.351	1.370	/ - Monthly		0.00	0.00
SYS7260 MONEY	7260 MONEY	USBANK	0.11	0.010			0.010	0.010	01/02 - Monthly		0.11	0.11
SYS7261 MONEY	7261 MONEY	USBANK	687.49	0.010			0.010	0.010	01/02 - Monthly		687.49	687.49
SYS7262 MONEY	7262 MONEY	USBANK	424.53	0.010			0.010	0.010	01/02 - Monthly		424.53	424.53
SYS7267 MONEY	7267 MONEY	USBANK	0.00	5.060			4.991	5.060	01/02 - Monthly		0.00	0.00
SYS7510 MONEY	7510 MONEY	USBANK	0.00	0.035			0.035	0.035	01/02 - Monthly		0.00	0.00
SYS7511 MONEY	7511 MONEY	USBANK	0.00	1.400			1.381	1.400	01/02 - Monthly		0.00	0.00
SYS7512 MONEY	7512 MONEY	USBANK	0.00	5.000		01/01/2001	4.932	5.000	01/02 - Monthly		0.00	0.00
SYS7514 MONEY	7514 MONEY	USBANK	0.00	0.520			0.513	0.520	01/01 - Monthly		0.00	0.00
SYS8440 MONEY	8440 MONEY	USBANK	0.00	1.500			1.479	1.500	01/02 - Monthly		0.00	0.00
SYS8441 MONEY	8441 MONEY	USBANK	0.00	1.500			1.479	1.500	01/02 - Monthly		0.00	0.00
SYS8442 MONEY	8442 MONEY	USBANK	0.00	4.350			4.290	4.350	01/02 - Monthly		0.00	0.00
SYS8443 MONEY	8443 MONEY	USBANK	0.00	1.500			1.479	1.500	01/02 - Monthly		0.00	0.00
SYS8444 MONEY	8444 MONEY	USBANK	0.00	0.970			0.957	0.970	/ - Monthly		0.00	0.00
SYS8940 MONEY	8940 MONEY	USBANK	0.00	0.035		01/01/2001	0.035	0.035	07/01 - Monthly		0.00	0.00
SYS8942 MONEY	8942 MONEY	USBANK	0.00	1.400			1.381	1.400	07/01 - Monthly		0.00	0.00
SYS8944 MONEY	8944 MONEY	USBANK	0.00	5.500			5.425	5.500	/ - Monthly		0.00	0.00
SYS9000 MONEY	9000 MONEY	USBANK	35.30	0.010		06/25/2004	0.010	0.010	06/25 - Monthly		35.30	35.30
SYS9001 MONEY	9001 MONEY	USBANK	768.76	0.010		05/25/2004	0.010	0.010	05/25 - Monthly		768.76	768.76
SYS9002 MONEY	9002 MONEY	USBANK	810.69	0.010		05/25/2004	0.010	0.010	05/25 - Monthly		810.69	810.69
SYS9004 MONEY	9004 MONEY	USBANK	0.00	0.510		05/03/2004	0.503	0.510	05/03 - Monthly		0.00	0.00
<b>Cash Totals</b>			<b>2,567,536.20</b>							<b>0.00</b>	<b>2,567,536.20</b>	<b>2,567,536.20</b>
<b>Totals for Cash and Investments</b>			<b>30,392,536.20</b>				<b>1.677</b>	<b>1.701</b>		<b>0.00</b>	<b>30,226,675.14</b>	<b>30,226,675.14</b>

**MSR Public Power Agency Trust  
Portfolio Management  
Investment Activity By Type  
February 1, 2010 through February 28, 2010**

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Sales/Maturities or Withdrawals	Ending Balance
<b>Passbook/Checking Accounts (Monthly Summary)</b>								
SYS0741MONEY	0741MONEY	U S BANK		0.010		582,244.02	583,718.38	
SYS30001 MONEY	30001 MONEY	U S BANK		0.010		489,923.96	490,763.23	
SYS30002 MONEY	30002 MONEY	U S BANK		0.010		56,609.68	55,973.00	
SYS31000 MONEY	31000 MONEY	U S BANK		0.010		48,443.12	7,493.12	
SYS31003 MONEY	31003 MONEY	U S BANK		0.010		0.00	40,950.00	
SYS32000 MONEY	32000 MONEY	U S BANK		0.010		19,105.35	4,274.10	
SYS32003 MONEY	32003 MONEY	U S BANK		0.010		0.00	14,831.25	
SYS5590 MONEY	5590 MONEY	U S BANK		0.010		220,910.95	220,893.42	
SYS69000 MONEY	69000 MONEY	U S BANK		0.010		55,250.00	0.00	
SYS69001MONEY	69001 MONEY	U S BANK		0.010		194,195.92	193,906.45	
SYS69002 MONEY	69002 MONEY	U S BANK		0.010		67,374.42	66,967.69	
SYS69003MONEY	69003 MONEY	U S BANK		0.010		0.00	55,250.00	
SYS7261 MONEY	7261 MONEY	U S BANK		0.010		85,723.63	85,958.53	
SYS7262 MONEY	7262 MONEY	U S BANK		0.010		319,449.14	319,845.69	
SYS9001 MONEY	9001 MONEY	U S BANK		0.010		32,339.35	31,984.57	
SYS9002 MONEY	9002 MONEY	U S BANK		0.010		654,674.22	654,684.15	
	<b>Subtotal</b>		<b>2,568,786.02</b>			<b>2,826,243.76</b>	<b>2,827,493.58</b>	<b>2,567,536.20</b>
<b>Federal Agency Issues - Coupon</b>								
	<b>Subtotal</b>		<b>13,241,029.89</b>					<b>13,241,029.89</b>
<b>Federal Agency Issues - Discount</b>								
313589YT4	14955	Federal Nat'l Mtg. Assoc.			02/26/2010	220,893.42	0.00	
313589YT4	14956	Federal Nat'l Mtg. Assoc.			02/26/2010	85,958.53	0.00	
313589YT4	14957	Federal Nat'l Mtg. Assoc.			02/26/2010	319,845.69	0.00	
313589YT4	14958	Federal Nat'l Mtg. Assoc.			02/26/2010	180,912.72	0.00	
313589YT4	14959	Federal Nat'l Mtg. Assoc.			02/26/2010	402,805.66	0.00	
313589YT4	14960	Federal Nat'l Mtg. Assoc.			02/26/2010	31,984.57	0.00	
313589YT4	14961	Federal Nat'l Mtg. Assoc.			02/26/2010	654,684.15	0.00	
313589YT4	14962	Federal Nat'l Mtg. Assoc.			02/26/2010	193,906.45	0.00	
313589YT4	14963	Federal Nat'l Mtg. Assoc.			02/26/2010	66,967.69	0.00	
313589YT4	14964	Federal Nat'l Mtg. Assoc.			02/26/2010	490,763.23	0.00	
313589YT4	14965	Federal Nat'l Mtg. Assoc.			02/26/2010	55,973.00	0.00	
	<b>Subtotal</b>		<b>11,713,413.94</b>			<b>2,704,695.11</b>	<b>0.00</b>	<b>14,418,109.05</b>
	<b>Total</b>		<b>27,523,229.85</b>			<b>5,530,938.87</b>	<b>2,827,493.58</b>	<b>30,226,675.14</b>



**MSR Public Power Agency Trust  
Investment Purchases Report  
Sorted by Purchase Date  
February 1, 2010 - February 28, 2010**

Modesto Irrigation District  
1231 - 11th St.  
Modesto, CA 95352  
(209)526-7308

CUSIP	Investment #	Fund	Inv. Type	Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM 365	Ending Book Value
313589YT4	14955	5590	FAD	FNMA	221,000.00	02/26/2010	06/30 - At Maturity	220,893.42			06/30/2010	0.142	220,893.42
313589YT4	14956	7261	FAD	FNMA	86,000.00	02/26/2010	06/30 - At Maturity	85,958.53			06/30/2010	0.142	85,958.53
313589YT4	14957	7262	FAD	FNMA	320,000.00	02/26/2010	06/30 - At Maturity	319,845.69			06/30/2010	0.142	319,845.69
313589YT4	14958	0741	FAD	FNMA	181,000.00	02/26/2010	06/30 - At Maturity	180,912.72			06/30/2010	0.142	180,912.72
313589YT4	14959	0741	FAD	FNMA	403,000.00	02/26/2010	06/30 - At Maturity	402,805.66			06/30/2010	0.142	402,805.66
313589YT4	14960	9001	FAD	FNMA	32,000.00	02/26/2010	06/30 - At Maturity	31,984.57			06/30/2010	0.142	31,984.57
313589YT4	14961	9002	FAD	FNMA	655,000.00	02/26/2010	06/30 - At Maturity	654,684.15			06/30/2010	0.142	654,684.15
313589YT4	14962	69001	FAD	FNMA	194,000.00	02/26/2010	06/30 - At Maturity	193,906.45			06/30/2010	0.142	193,906.45
313589YT4	14963	69002	FAD	FNMA	67,000.00	02/26/2010	06/30 - At Maturity	66,967.69			06/30/2010	0.142	66,967.69
313589YT4	14964	30001	FAD	FNMA	491,000.00	02/26/2010	06/30 - At Maturity	490,763.23			06/30/2010	0.142	490,763.23
313589YT4	14965	30002	FAD	FNMA	56,000.00	02/26/2010	06/30 - At Maturity	55,973.00			06/30/2010	0.142	55,973.00
<b>Total Purchases</b>					<b>2,706,000.00</b>			<b>2,704,695.11</b>	<b>0.00</b>				<b>2,704,695.11</b>

Portfolio MSRT  
CP

PU (PRF\_PU) SymRept V6.00f2  
Report Ver. 5.00



PROJECTS AND ACTIVITIES  
STATUS REPORTS

March 2010

Presented To Commission

March 17, 2010



**M-S-R PUBLIC POWER AGENCY  
SAN JUAN PROJECT  
STATUS REPORT  
MARCH 2010**

**SAN JUAN UNIT 4 OPERATIONS**

January 2010	
Net Generation (MWh)	328,026.8
Net Capacity Factor (%)	87.0
Total 2009	
Net Generation (MWh)	3,808,109.1
Net Capacity Factor (%)	85.7

San Juan Generation Station (San Juan) Unit 4 was removed from service on January 30, 2010 for its planned maintenance outage. The unit is not expected to be returned to service until March 14, 2010.

**SAN JUAN E&O AND COORDINATING COMMITTEE MEETINGS**

Meetings were held of the San Juan Engineering and Operating (E&O) Committee on January 21, 2010 and Coordinating Committee on January 28, 2010, both in Albuquerque, NM. The Public Service Company of New Mexico (PNM) stressed that safety was a major focus at San Juan in 2009. Results were much better the second half of 2009 compared to the first half. One outstanding issue of concern is housekeeping at San Juan. Those attending the tour of San Juan on March 12, 2010 should be able to comment on the success of this program. The 2009 actual expenditures for San Juan Unit 4 Owners were as expected. As a whole, San Juan was over-budget, primarily due to a number of forced outages totaling 270 hours on Unit 2 during the month of December.

The next San Juan E&O Committee is scheduled for April 22, 2010 and will be hosted by Tri-State Generation and Electric Cooperative in the vicinity of Denver, CO.



**M-S-R PUBLIC POWER AGENCY  
SOUTHWEST TRANSMISSION PROJECTS  
STATUS REPORT  
MARCH 2010**

**E&O COMMITTEE MEETINGS**

Information is just starting to trickle in from the Project Managers for the Mead-Phoenix and Mead-Adelanto Transmission Projects in advance of the meetings on March 23, 2010. These meetings are semi-annual in nature and the annual budgets (July-June) will be reviewed for approval. Other major topics to be discussed include the progress of the Long-Term Generation Interconnection Agreements (LGIAs) and the status of multiple Interconnection Requests.

**LGIAs**

The LGIAs applicable to the Mead-Phoenix and Mead-Adelanto Transmission Projects are nearly complete. The LGIAs have been developed/revised in conjunction with the Arizona Nuclear Power Project (ANPP) Owners and the owners of other joint projects in the Inland Southwest. The LGIA should be ready for approval by the ANPP Engineering and Operating (E&O) Committee in April, but not in time for the Mead-Phoenix and Mead-Adelanto E&O meetings on March 23, 2010. Additional conference calls for the Mead-Phoenix and Mead-Adelanto representatives on March 16 and 18, 2010 to iron out the "special accommodations" necessary for the LGIAs associated with these projects. There are two modifications that need to be addressed: 1) the reservation to covert from AC to DC configuration, and 2) special contract provisions to accommodate the Western Area Power Administration contract requirements.

**INTERCONNECTION REQUESTS**

The Mead-Phoenix ad hoc Technical Committee has the results of studies that show compensation equipment should be moved to accommodate multiple interconnections on Mead-Phoenix. A conference call has been scheduled for March 11, 2010 to determine if any of the Mead-Phoenix Owners question these results.





**M-S-R PUBLIC POWER AGENCY  
PACIFIC NORTHWEST PROJECT  
STATUS REPORT  
MARCH 2010**

**BIG HORN OPERATION**

	<u>MWH</u>	<u>% of Expectation</u>
February 2010	16,730	45.0
Entire 2010	41,042	48.9
Project Life	1,772,366	89.4

The winter 2009-2010 storm track that has gone a long way to relieving draught conditions in Northern California is leaving cold stagnant air masses over the Pacific Northwest. Since the start of commercial operation at Big Horn 1, the worst 3-month output of generation was July-September 2009 wherein the project produced 68% of expected generation. A new low has been established as Big Horn 1 only produced 48% of expected generation for December 2009-February 2010.

**BIG HORN AVAILABILITY**

M-S-R has received operational data associated with the operations at Big Horn 1. Iberdrola Renewables, Inc. (IBI) has provided monthly availability statistics extending back to November 2006. The records indicated that unit availability has ranged between 94.1% and 99.1% through January 2010. The average monthly availability has been 97.2% for the Big Horn 2 Project. IBI believes the remaining shortfall in expected generation is attributable to poor wind conditions in the Pacific Northwest.

Please note that the generation expected from Big Horn 1 reflects the average of the previous five years operation. As Big Horn 1 has not operated a full five years, prior wind data is used to estimate what the generation would have been. It appears that the original estimates were somewhat optimistic. Beginning October 2011, only actual operating results will be included in the calculation of estimated generation.

**BIG HORN 2**

IBI is reporting that Big Horn 2 is still on schedule to be completely operational by the end of 2010.

## **M-S-R Public Power Agency Staff Report**

**Date:** March 8, 2010  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** March 2010 General Manager's Report

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### **GENERAL ISSUES:**

#### **California Legislation**

Senator Simitian has reintroduced last year's Renewable Portfolio Standard bill under the guise of a "gut and amend" of an existing bill, SB722. At this time there are no "delivery" requirements as bedeviled us last year, but the Senator's Staff has indicated these provisions will be subject to future negotiation. Proposed Assembly Bill 2037 would extend the proscriptions contained within SB1368 on entering into new contracts or extensions of existing power supply contracts from thermal resources which fail to meet an emission performance standard to include any resource which may cause or contribute to any non-attainment of ambient air quality standards. This broad and vaguely defined standard may have an extreme effect on any and all thermal resources. We will need to closely monitor these processes and advocate our interests vigorously.

#### **GHG Reporting**

I have re-engaged E-Source, who prepared our mandatory reports regarding greenhouse gas emissions to the California Air Resources Board last year, for the preparation of this year's reports. Under CARB's regulations, we will also need to engage an independent Verifier to examine and certify this year's reports.

#### **Washington State REC Tax**

The State of Washington considered a proposed 50% tax on the sale or transfer of Renewable Energy Credits (RECs). Although this tax was defeated in committee and did not make it to the legislative floor, it is indicative of the concerns being expressed by some Northwest parties over the volume of exports of renewable energy to California from Washington and Oregon and the impacts of its generation on local electric systems and generation dispatch.

#### **Finance Committee Activities**

The Finance Committee met February 19, 2010, to consider updating the agency's rating agency presentations, issuing an RFP for Investment Banking Services for evaluations of debt re-structuring concepts, and starting development of compliance and reporting calendars.

## **Administrative and General Cost Allocations**

The Finance Committee and Staff Committee have, pursuant to Member request, commenced reviews of the methods and requirements by which the Agency allocates administrative and general costs to the Agency's projects and thence to its Members. The existing allocation methods originated when the Agency had one project, the San Juan Project, and have been adjusted on an ad hoc basis to reflect the addition of the Big Horn I and Big Horn II Projects. The goals of such review will be to screen the methods for fairness, transparency, and simplicity. Action items will be brought to future Commission meetings as needed. If Agreement modifications are required, Member governing body approvals will also be required.

## **Southwest Transmission Project**

Efforts continue with regard to conforming with regulatory requirements pertaining to the posting of transmission on open access information systems under pro-forma tariffs. An alternate structure utilizing the services of the Western Area Power Administration is also under consideration. Recommendations for consideration by the M-S-R PPA Commission will be presented later this year.

## **Resumption of Clean Air Act Allowance Sales**

Although our adopted policy of selling 500 tons per quarter of Clean Air Act Allowances has remained in place, I suspended sales in the summer of 2008 due to the then prevalent unstable market conditions. Although the market has stabilized and prices have settled into a narrow band over the past 10-months, the market value of the allowances is a mere fraction of their former peaks. Recent prices for per-2010 allowances are approximately \$80.00 per ton with a best-case market forecast of \$200 - \$300 per ton over the next two to three years and a down-side forecast of no more than \$5.00 per ton. After review with the Staff Committee, I have elected to resume our structured sales program of selling 500 tons per quarter from our inventory of about 18,000 tons of Clean Air Act Allowances.