

# M-S-R Public Power Agency

## MEETING OF THE COMMISSION

Wednesday, July 18, 2012, 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)	Alan Hockenson
Santa Clara:	Martin Hopper <sup>1</sup>
Pat Kolstad	Ed Oborn
John Roukema <sup>1</sup> (Alt)	Jan Pepper
Redding:	Pete Scanlon
Francie Sullivan	Cindy Worley
Tim Nichols <sup>1</sup> (Alt)	file/er/msr
	Rin Helzerman <sup>1</sup>

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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 May 23, 2012* (attached)
4. Report on summary of invoices paid totaling \$18,835,340.20 (attached)
5. Finance (Lou Hampel)
  - a. June 2012 Account Status Report (attached)
  - b. June 2012 Unaudited Preliminary Financial Statements (attached)
  - c. June 2012 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 Public Power Agency General Manager's Report (attached, Martin Hopper)
8. *Discussion and possible action regarding Biennial Conflict of Interest Policy Review* (attached, Steve Gross)

9. ***Discussion and possible action regarding Resolution 2012-03, Approving Signatories Authorized to Invest M-S-R Public Power Agency Monies in the Local Agency Investment Fund and other Permitted Investments*** (attached, Martin Hopper)
10. Closed Session
  - a. Closed Session Pursuant to Government Code Section 54956.9(a) - Conference with Legal Counsel – Existing Litigation (ER11-3697 - SCE, EL11-44 - BPA, and 12-OIR-1 - NRDC), Three cases
  - b. Closed Session Pursuant to Government Code Section 54956.9(b) - Conference with Legal Counsel - Anticipated Litigation, Significant Exposure to Litigation, Two 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
11. Announcement from Closed Session
12. Public Comment
13. ***Confirm date and time of next meeting***
14. 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  
MAY 23, 2012**

The Commission of the M-S-R Public Power Agency (M-S-R PPA) met May 23, 2012, 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 Pat Kolstad and Ann Hatcher; present from Redding was Tim Nichols. Also present were General Counsel Steven C. Gross; General Manager Martin R. Hopper; and Consultant Alan Hockenson. Participating by telephone was Bethany Reyers of Baker Tilly Virchow Krause, LLP.

Chair Short called the meeting to order at 12:00 Noon. A quorum was attained with the voting representatives being Mr. Short, Mr. Kolstad, and Mr. Nichols.

The Commission then reviewed the minutes of its March 21, 2012, meeting. It was moved by Alternate Commissioner Nichols and seconded by Commissioner Kolstad to approve the minutes. The motion carried unanimously.

The Commission then reviewed the invoices listed under Item No. 4 on the Agenda which have previously been paid pursuant to pre-existing delegations of authority.

Mr. Hampel, M-S-R PPA Treasurer, presented the March 2012 Unaudited Financial Statements, and the April 2012 Treasurer's and Account Status Reports to the Commission. He noted that principle payments don't flow through the Income Statement and that he plans to generally clean up the format of the Account Status Report. He also stated that the value of the AGF Medium Term notes is currently about 96% of face value, with a coupon of 5.5%, and recommended continuing to hold these notes to maturity at the end of this year.

Mr. Hockenson then addressed the Commission regarding the San Juan Project, Southwest Transmission Project and Big Horn Project Status Reports. Mr. Hockenson reported the San Juan Mine long-wall unit has been averaging 23,000 tons per day of production and inventory levels are starting to slowly recover. Discussions also continue with Los Alamos County regarding indemnity issues pertaining to the San Juan Project Designated Representative Agreement and a mutually satisfactory compromise may have been reached. The proposal by Startrans for a Mead-Phoenix and Mead-Adelanto Transmission Project upgrade and conversion to DC have been discussed by the project Legal and Negotiating Committees but no internal consensus has yet been reached among the participants. Pacific Northwest wind production remains good but curtailments by the Bonneville Power Administration remain a significant issue.

Mr. Hopper then briefly reviewed the May 2012 General Manager's Report for the Commission and addressed questions thereon. He highlighted the S&P Bond Rating Upgrade from A to A+ and thanked all those whose efforts over the years working with S&P made this possible. He also informed the Commission that Agency President Short has been asked to testify before the House Energy and Commerce Committee's sub-committee on Energy and Power June 6, 2012, on the impacts of EPA regulation on the Agency and most specifically on EPA's Regional Haze Rule impact on our San Juan Project investment.

Mr. Hopper then addressed the Commission regarding the proposed San Juan Project Trust and Reclamation Agreements. Pursuant to the San Juan Project Participation Agreement (SJPPA) and the related fuel supply agreements with the San Juan Coal Company (SJCC), the San Juan Project Participants have the obligation to fund and effect the reclamation of the mine areas used to supply coal to the San Juan Project. Although the timing and final cost estimates for such reclamation are a matter of controversy between the San Juan Project and SJCC, the obligation to establish appropriate funding mechanisms is ripe for action by the San Juan Project Participants. The proposed San Juan Project Trust and Reclamation Agreements provide an orderly mechanism to fulfill these obligations. Mr. Gross clarified that M-S-R PPA should enter into these agreements on an "opt-out" basis whereby M-S-R will not assume cross-liabilities for the default of other San Juan owners after the termination of the SJPPA and that such determination

can be revisited by any future assignee of M-S-R PPA's obligations. It was moved by Alternate Commissioner Nichols and seconded by Commissioner Kolstad to:

1. Approve the Mine Reclamation And Trust Funds Agreement Among The San Juan Project Participants,
2. Approve the San Juan Generating Station Reclamation Trust Agreement in substantially final form subject to final review by M-S-R General Counsel,
3. Direct the General Manager and M-S-R Controller to select a cost-effective Trustee pursuant to the requirements of the San Juan Generating Station Reclamation Trust Agreement,
4. Notify the San Juan Project Participants of M-S-R PPA's election of status as an "Opt-out" Participant under the Mine Reclamation And Trust Funds Agreement Among The San Juan Project Participants, and to
5. Fund the Trust accounts within 90 days of the approval of the Mine Reclamation And Trust Funds Agreement Among The San Juan Project Participants from the Operating Fund without a cash call upon the Members.

The motion carried unanimously.

Mr. Hopper then addressed the Commission regarding the proposed Resolution 2012 - 02 regarding Compliance With Greenhouse Gases Emission Performance Standards Related to 2012 San Juan Project Capital Budget Items Additions. He noted that within the constraints of the regulations adopted by the California Energy Commission to implement its responsibilities pursuant to SB1368, "Routine Maintenance" is exempted from its definition of covered procurements. The proposed resolution makes the appropriate findings for M-S-R PPA to determine that those 2012 San Juan Capital Budget Items pertaining to Plant Common NERC-FERC Office Addition are intended to address regulatory compliance, reliability or safety problems and reduce operating costs and are neither intended to extend the life of the San Juan Project nor increase its capacity and are clearly permitted as "Routine Maintenance" under the regulations promulgated by the California Energy Commission in Docket 06-OIR-1 pursuant to SB 1368. It was moved by Alternate Commissioner Nichols and seconded by Commissioner Kolstad to adopt Resolution No. 2012 – 02 "Resolution Of The Commission Of The M S-R

Public Power Agency Making Certain Findings With Respect To Compliance With Greenhouse Gases Emission Performance Standards Related To 2013 San Juan Project Capital Budget Item Additions.” The motion carried unanimously.

Ms. Reyers of the Agency’s auditors, Baker Tilly Virchow Krause, LLP then addressed the Commission regarding the Financial Statements and Independent Auditor’s Report for the Years Ended December 31, 2011, and 2010. She reviewed the required communications and noted that M-S-R PPA received an “unqualified opinion” and stated that they found the reports to be free from material misstatements. She presented the highlights of the financial statements to the Commission. The accounting estimates applied to the Asset Retirement Obligations (ARO) pertaining to the San Juan Project are based on 2003 studies and normally should be updated every five years. She noted that by definition, there was a weakness in Internal Controls because of the role played by the Auditor in the preparation of Financial Statements. She expressed her appreciation for the assistance provided by staff and management in the preparation of the audit. It was moved by Alternate Commissioner Nichols and seconded by Commissioner Kolstad to accept the Financial Statements. The motion carried unanimously.

The Commission then entered into recess at 12:35 PM and reconvened at 12:42 PM. The Commission then retired into Closed Session pursuant to Government Code Section 54956.9 (a) - Existing Litigation – Three Cases; Government Code Section 54956.9 (b) - Anticipated Litigation, Significant Exposure to Litigation - Three Cases; Government Code Section 54956.9 (c) - Anticipated Litigation, and Decision on Whether to Initiate Litigation - One Case at 12:42 P.M. Upon the conclusion of the Closed Session at 1:10 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 and there being none, the Chair announced that the Wednesday, June 20, 2012 meeting of the Commission will likely be cancelled and the Commission will next meet at its scheduled Wednesday, July 18, 2012, at 12:00 Noon, at NCI’s offices in Sacramento. The meeting was then adjourned by the Chair at 1:14 P.M.

Martin R. Hopper  
Assistant Secretary

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**M-S-R Public Power Agency**  
**Invoices Paid Summary: May - July 2012**

<b>Payee</b>	<b>Description</b>	<b>Period Covered</b>	<b>Amount</b>
AF Legal & Consulting Services	Legal Services	May 2012	13,027.50
AF Legal & Consulting Services	Legal Services	Jun 2012	18,810.00
APPA	National Conference (M Hopper)		970.00
Baker Tilly Virchow Krause	Audit of 2011 Financials	Apr 2012	6,387.00
Baker Tilly Virchow Krause	Audit of 2011 Financials	Final	31,373.00
Big Horn Wind Project	Firm Energy from Big Horn facility	May 2012	2,809,990.84
Dept of Water & Power, LA	Mead-Adelanto Operations Costs	Apr 2012	4,857.48
Dept of Water & Power, LA	Mead-Adelanto Operations Costs	May 2012	22,342.55
Dept of Water & Power, LA	STS Upgrade Project	Apr 2012	78,066.98
Dept of Water & Power, LA	Transmission Service Adelanto-Victorville	May 2012	61,595.00
Duncan Weinberg et al	Legal Services	Apr 2012	89,656.75
Duncan Weinberg et al	Legal Services	May 2012	60,058.16
Government Affairs Consulting	State Legislative Advocacy and Consulting Services	May 2012	2,000.00
Government Affairs Consulting	State Legislative Advocacy and Consulting Services	Jun 2012	2,000.00
Iberdrola Renewables	Big Horn 2 Contract Power Delivery	May 2012	1,247,722.12
Iberdrola Renewables	Big Horn Shaping Fee	May 2012	723,983.00
Jack B Mayson, Jr.	Consulting	Apr/May 2012	5,600.00
KBT, LLC	Consulting Services	Apr 2012	36,504.67
KBT, LLC	Consulting Services	May 2012	35,061.64
Martin Hopper Energy Consulting	General Manager services	May 2012	24,258.14
Martin Hopper Energy Consulting	General Manager services	Jun 2012	25,523.21
McCarthy & Berlin	Legal Services	Apr 2012	15,514.81
McCarthy & Berlin	Legal Services	May 2012	10,256.49
Modesto Irrigation District	Accounting and coordination services	May 2012	56,487.15
Modesto Irrigation District	Reimburse MID for MSR Expenses: Airfare to Big Horn Tour		2,436.60
Modesto Irrigation District	Reimburse MID for MSR Expenses: Ferguson Invoice		13,782.93
Modesto Irrigation District	Reimburse MID for MSR Expenses: Ferguson Invoice	Apr 2012	4,738.27
Modesto Irrigation District	Reimburse MID for MSR Expenses: Joy Mastache DC trip 4/29/12-5/2/12		3,598.22
Montague DeRose & Assoc.	Financial Advisory Services	Nov 11-May 12	18,677.34
Navigant	Special assistance	Apr 2012	10,589.37
Navigant	Special assistance	May 2012	3,072.77
PNM	Estimated Coal	May 2012	2,212,054.48
PNM	Estimated Coal	Jun 2012	2,168,011.25
PNM	Monthly Net Due for San Juan Construction	Apr 2012	(671,261.80)
PNM	Monthly Net Due for San Juan Construction	May 2012	4,967.16

**M-S-R Public Power Agency**  
**Invoices Paid Summary: May - July 2012**

<b>Payee</b>	<b>Description</b>	<b>Period Covered</b>	<b>Amount</b>
PNM	Weekly Advance	051712	573,000.00
PNM	Weekly Advance	052312	316,000.00
PNM	Weekly Advance	053012	222,000.00
PNM	Weekly Advance	060712	176,000.00
PNM	Weekly Advance	061412	958,000.00
PNM	Weekly Advance	062012	67,000.00
PNM	Weekly Advance	062712	218,000.00
PNM	Weekly Advance	070412	29,000.00
Porter Simon	Legal Services	May 2012	2,103.83
Porter Simon	Legal Services	Jun 2012	2,000.00
Salt River Project	Mead-Phoenix O&M Costs	Apr12/Jun12	20,365.99
Southern California Edison	Firm Transmission between Victorville-Lugo and Midway	Jun 2012	165,000.00
Southern California Edison	Firm Transmission between Victorville-Lugo and Midway	Jul 2012	165,000.00
US Bank	Debt Service for Series 1997D, F, K, 2008L, 2011O	Jun 2012	2,993,571.40
US Bank	Debt Service for Series 1997D, F, K, 2008L, 2011O	Jul 2012	2,993,571.40
US Bank	Debt Service for Series 2008M&N	Jun 2012	67,969.17
US Bank	Debt Service for Series 2008M&N	Jul 2012	70,234.80
US Bank	Swap Payment for 1998F & G	Jun 2012	305,418.73
US Bank	Swap Payment for 1998F & G	Jul 2012	316,015.68
US DOE	Mead-Phoenix Firm Energy Losses	Apr 2012	10,005.68
US DOE	Mead-Phoenix Firm Energy Losses	May 2012	11,867.38
WREGIS	Transfer Volume Fee	May 2012	503.06

<b>TOTAL</b>	<b>\$ 18,835,340.20</b>
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**MSR PUBLIC POWER AGENCY**

**ACCOUNT STATUS REPORT**

June 30, 2012

	Previous Month	Change	YTD
<b>Operating Fund 50/35/15</b>			
<b>Opening Fund Balances</b>			
Checking & Investments	\$19,091,799	(\$498,961)	\$18,592,838
Reserve & Contingency	4,391,000	-	4,391,000
Market Adjustment	(77,212)	22,320	(54,892)
Subtotal	<u>23,405,587</u>	<u>(476,641)</u>	<u>22,928,946</u>
<b>Funds Provided</b>			
Receipts	44,782,663	7,876,243	52,658,906
Interest Income	134,166	55,000	189,166
Trustee Project Funds	-	-	-
Subtotal	<u>44,916,829</u>	<u>7,931,243</u>	<u>52,848,072</u>
<b>Funds Applied</b>			
Agency Administration & General	126,664	38,674	165,338
Agency Debt Administrative	15,230	-	15,230
Cost of Issuance on Refundings	-	-	-
Debt Service	16,833,475	3,366,959	20,200,434
Escrow Fund Transfer ****	-	-	-
Generation Capital	1,020,121	836,008	1,856,128
Generation Fuel	11,580,418	2,212,054	13,792,472
Generation General & Administrative	332,623	38,543	371,166
Generation Monthly Net Due	(51,739)	(37,040)	(88,779)
Generation Operation & Maintenance	4,815,376	629,000	5,444,376
Purchase Power Other	3,912	-	3,912
Purchase Power-Big Horn II	7,078,837	1,247,722	8,326,559
Renewable Administrative	447,782	68,068	515,849
Transmission Capital	-	78,067	78,067
Transmission Expenditures	2,215,169	318,946	2,534,115
Subtotal	<u>44,417,867</u>	<u>8,797,000</u>	<u>53,214,867</u>
<b>Balance</b>	<u>23,904,548</u>	<u>(1,342,398)</u>	<u>22,562,150</u>
<b>PPM Wind Energy Escrow Account 12.5/52.5/35 **</b>			
<b>Fund Balance Beginning of Period</b>	3,628,541	-	3,628,541
Receipts	12,981,228	2,810,044	15,791,272
Escrow Fund Transfer from Operating Fund ****	-	-	-
Transfer to PPM Wind Shaping Escrow Account	-	-	-
Funds Applied: Purchase Power-Big Horn I	(12,981,114)	(2,809,991)	(15,791,105)
<b>Balance</b>	<u>3,628,655</u>	<u>53</u>	<u>3,628,708</u>
<b>PPM Wind Shaping Escrow Account 12.5/52.5/35 ***</b>			
<b>Fund Balance Beginning of Period</b>	1,042,482	-	1,042,482
Receipts	3,191,676	723,998	3,915,674
Transfer From PPM Wind Energy Escrow Account	-	-	-
Funds Applied: Purchase Power-Big Horn I	(3,191,643)	(723,983)	(3,915,626)
<b>Balance</b>	<u>1,042,514</u>	<u>15</u>	<u>1,042,529</u>
<b>Restricted Funds</b>	<u>46,361,919</u>	<u>-</u>	<u>46,361,919</u>
Adjustment due to Unrealized Gains Calculation	4,629	(4,629)	0
<b>Total Account Status</b>	<u>\$74,942,265</u>	<u>-\$1,346,959</u>	<u>\$73,595,307</u>

\*\* 05/10/07 Included in the Escrow account is \$3,000,000 transferred from Operating Fund, member split is 50/35/15.

\*\*\* 05/10/07 Included in the Escrow account is \$1,000,000 transferred from Operating Fund, member split is 50/35/15.

\*\*\*\* 05/13/11 Included in the Energy Escrow Fund is \$500,000 wired from Operating Fund, member split 50/35/15



UNAUDITED  
PRELIMINARY FINANCIAL STATEMENTS  
(June 2012)

Presented To Commission

July 18, 2012

# MSR PUBLIC POWER AGENCY

## BALANCE SHEET

June 30, 2012

UNAUDITED

ASSETS	6/30/2012	12/31/2011	Change
<b>Current Assets</b>			
Cash	\$27,288,279	\$27,654,860	(\$366,581)
Market Adj-Temp Cash Investments	(54,892)	(41,302)	(13,590)
Receivables	13,750,271	11,806,968	1,943,304
Inventory	1,857,519	1,563,793	293,726
Other Current Assets	4,453,215	1,588,650	2,864,565
<b>Total Current Assets</b>	<b>47,294,392</b>	<b>42,572,968</b>	<b>4,721,424</b>
<b>Utility Plant</b>			
Electric Plant in Service	349,621,948	349,621,948	-
Less: Accumulated Depreciation	214,027,425	208,997,100	5,030,325
Net Utility Plant	135,594,523	140,624,848	(5,030,325)
Utility Plant Under Construction	7,898,595	6,274,085	1,624,510
<b>Total Utility Plant</b>	<b>143,493,118</b>	<b>146,898,933</b>	<b>(3,405,815)</b>
<b>Other Assets</b>			
Intangible Assets	15,383,000	15,383,000	-
Less Nonutility Depreciation	9,544,876	9,266,868	278,008
Net Intangible Assets	5,838,124	6,116,132	(278,008)
Deferred Effective Derivative Position	24,257,325	23,404,210	853,115
Interest & Principal Funds Held by Trustee	16,463,964	16,323,074	140,890
All Other Funds Held by Trustee	29,918,015	17,972,697	11,945,318
Unamortized Debt Issuance Costs	2,747,041	3,022,722	(275,681)
<b>Total Other Assets</b>	<b>79,224,469</b>	<b>66,838,835</b>	<b>12,385,634</b>
<b>TOTAL ASSETS</b>	<b>\$270,011,979</b>	<b>\$256,310,736</b>	<b>\$13,701,242</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Current Liabilities</b>			
Accounts Payable	12,628,808	8,550,774	4,078,033
Interest Payable	6,408,313	6,418,004	(9,691)
Current Portion Long Term Debt	23,890,000	23,890,000	-
Current Portion Asset Retirement Obligation	1,292,000	1,292,000	-
<b>Total Current Liabilities</b>	<b>44,219,121</b>	<b>40,150,778</b>	<b>4,068,343</b>
<b>Long Term Liabilities</b>			
Senior Lien Bonds	4,580,000	4,580,000	-
Subordinate Lien Bonds	308,865,000	308,865,000	-
Unamortized Loss on Refunding	(14,229,748)	(15,401,268)	1,171,520
Debt Discount & Premium	6,501,525	7,301,958	(800,433)
<b>Total Long Term Liabilities</b>	<b>305,716,777</b>	<b>305,345,690</b>	<b>371,087</b>
<b>Other Liabilities</b>			
Asset Retirement Obligation	25,567,595	24,937,311	630,284
Derivative	24,257,325	23,404,210	853,115
Other Deferred Credits	29,115	29,441	(326)
<b>Total Other Liabilities</b>	<b>49,854,035</b>	<b>48,370,962</b>	<b>1,483,073</b>
<b>Total Liabilities</b>	<b>399,789,933</b>	<b>393,867,430</b>	<b>5,922,503</b>
<b>Members Equity</b>			
Beginning Balance	(137,556,694)	(150,528,639)	12,971,945
Member Reimbursement	-	-	-
Unrealized Holding Loss/Equity Adj	-	-	-
Net Income	7,778,740	12,971,945	(5,193,205)
<b>Total Equity</b>	<b>(129,777,954)</b>	<b>(137,556,694)</b>	<b>7,778,740</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$270,011,979</b>	<b>\$256,310,736</b>	<b>\$13,701,242</b>

# MSR PUBLIC POWER AGENCY

## INCOME STATEMENT

June 30, 2012

UNAUDITED

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>OPERATING REVENUE</b>			
Wholesale Revenue-Members	76,552,629	\$74,316,207	(\$2,236,422)
Wholesale Revenue-Others	-	3,912	(3,912)
<b>Total Operating Revenue</b>	<u>\$76,552,629</u>	<u>\$74,320,119</u>	<u>(\$2,232,510)</u>
<b>OPERATING EXPENSES</b>			
Generation Production Cost	23,918,047	18,857,270	(5,060,777)
Generation A&G	683,950	367,595	(316,355)
Transmission Expenditures	2,497,694	2,369,877	(127,817)
Purchase Power-Members	-	3,912	3,912
Purchase Power-Renewable 1	20,481,019	21,163,870	682,851
Purchase Power-Renewable 2	8,264,275	8,449,931	185,656
Purchase Power-Other	-	0	0
Renewable A&G	450,250	547,177	96,927
Agency A&G	291,200	217,071	(74,129)
Debt Administration	67,100	39,366	(27,734)
<b>Total Operating Expenses</b>	<u>\$56,653,535</u>	<u>\$52,016,069</u>	<u>(\$4,637,466)</u>
<b>OTHER INCOME &amp; (EXPENSE)</b>			
Interest Income	270,000	306,082	36,082
Other Non-Operating Revenue	-	0	0
Gain/Loss on Investments	-	0	0
Interest Expense	(7,929,513)	(8,251,377)	(321,864)
Amortization	(646,768)	(646,768)	0
Depreciation/Accretion	(5,938,618)	(5,938,618)	0
Change in Fair Value on Investments	-	5,371	5,371
Loss/Gain on Sales of Assets	-	0	0
<b>Total Other Income &amp; Expense</b>	<u>(\$14,244,899)</u>	<u>(\$14,525,310)</u>	<u>(\$280,411)</u>
<b>NET INCOME FROM OPERATIONS</b>	<u>\$5,654,195</u>	<u>\$7,778,740</u>	<u>\$2,124,545</u>

# MSR PUBLIC POWER AGENCY

## MEMBERS' EQUITY STATEMENT

June 30, 2012

UNAUDITED

	Modesto	Santa Clara	Redding	Total
Member Equity Percentage	50%	35%	15%	100%
Equity at December 31, 2011	(\$68,778,346)	(\$48,144,845)	(\$20,633,504)	(\$137,556,695)
Member Reimbursement	-	-	-	-
Debt Service Reimbursement	-	-	-	-
2012 Portion of Net Income	3,889,371	2,722,559	1,166,811	7,778,741
Equity at June 30, 2012	<u>(\$64,888,975)</u>	<u>(\$45,422,286)</u>	<u>(\$19,466,693)</u>	<u>(\$129,777,954)</u>



# Treasurer's Report

June 2012





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

Treasurer's Report for the Month of June 2012

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

Investment Portfolio Quarterly Comparison

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

    Received Interest

    Realized Gains and Losses

    Investment Maturity Report

**MSR PUBLIC POWER AGENCY  
TREASURER'S REPORT  
FOR THE MONTH OF JUNE 2012**

**FUND BALANCES**

<u>UNRESTRICTED FUNDS</u>	05/31/12			06/30/12	06/30/12	Unrealized Gain/Loss
	Cost Value	Receipts	Disbursements	Cost Value	Mkt. Value	
General Fund	23,482,799	13,131,858	13,997,615	22,617,042	22,562,150	(54,892)
 <u>RESTRICTED FUNDS</u>						
MSR MASTER RESERVE	0	0	0	0	0	0
MSR Series F	4,187,331	406,176	(3)	4,593,510	4,593,510	0
MSR Series I	0	0	0	0	0	0
MSR 2004 Series J	0	0	0	0	0	0
MSR 2007 Series K	16,145,178	1,325,827	(2)	17,471,007	17,580,893	109,886
MSR 2008 Series L	10,138,243	548,071	(2)	10,686,316	10,710,531	24,214
MSR 2008 Series M	3,092,647	50,416	50,416	3,092,647	3,104,175	11,528
MSR 2008 Series N	1,120,973	17,552	17,552	1,120,973	1,125,150	4,177
MSR 2011 Series O	6,988,737	553,517	(2)	7,542,256	7,689,613	147,357
MSR Series 97D	1,336,869	221,175	(1)	1,558,045	1,558,045	0
MSR Big Horn Wind Collat Acct.	3,628,655	2,810,042	2,809,989	3,628,708	3,628,708	0
MSR Big Horn Shaping Acct.	1,042,514	723,998	723,983	1,042,529	1,042,529	0
	47,681,149	6,656,774	3,601,930	50,735,992	51,033,156	297,163
<b>TOTAL FUNDS</b>	<b>71,163,948</b>	<b>19,788,632</b>	<b>17,599,546</b>	<b>73,353,034</b>	<b>73,595,306</b>	<b>242,271</b>

**CASH & INVESTMENTS**

DEMAND ACCOUNTS

Union Bank - General Fund 211,373

INVESTMENTS (See Attached)

	Standard per Gov't Code	Actual	
Bankers Acceptances	40%	0.0%	0
Certificates of Deposit(Coll./Ins.)	No Limit	0.0%	0
Commercial Paper(A1/P1)	25%	0.0%	0
Corporate Notes-Medium Term	30%	9.8%	7,158,462
Federal Agencies	No Limit	18.1%	13,245,049
Local Agency Investment Fund	\$50,000,000	20.9%	15,257,464
Money Market Accounts	No Limit	49.2%	36,011,027
Repurchase Agreements	No Limit	0.0%	0
U.S. Treasury Instruments	No Limit	2.0%	1,479,916
<b>TOTAL INVESTMENTS</b>		<u>100.0%</u>	<u>73,151,918</u>

Add: Deposits in transit 0  
Less: Outstanding checks (10,256)

**TOTAL CASH & INVESTMENTS** 73,353,034

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  
June 2012**

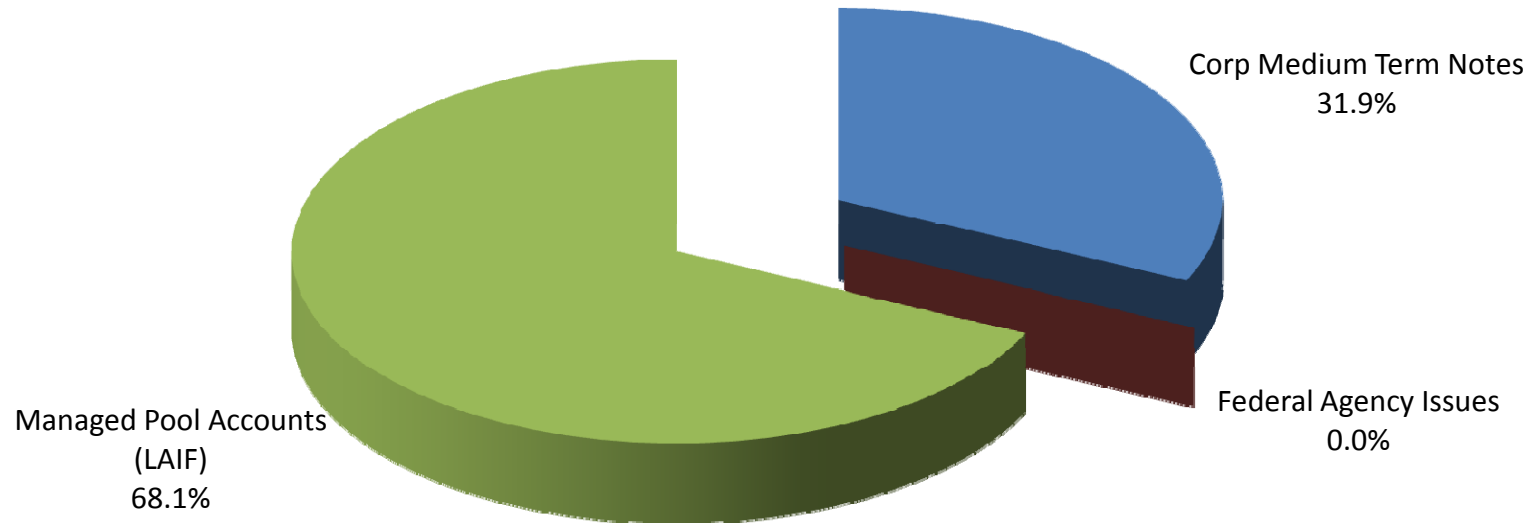
<b>Portfolio</b>	<b>Beginning Balance (Cost)</b>	<b>Purchases or Deposits</b>	<b>Sales/Maturities or Withdrawals</b>	<b>Ending Balance (Cost)</b>	<b>Market Value*</b>
MSR	\$23,482,799	\$4,334,243	\$5,200,000	\$22,617,042	\$22,562,150
MSR Trusts	<u>\$47,681,149</u>	<u>\$33,572,836</u>	<u>\$30,517,992</u>	<u>\$50,735,992</u>	<u>\$51,033,156</u>
	<u><u>\$71,163,948</u></u>	<u><u>\$37,907,079</u></u>	<u><u>\$35,717,992</u></u>	<u><u>\$73,353,034</u></u>	<u><u>\$73,595,306</u></u>

**General Fund Investment Portfolio Guideline Compliance  
June 2012**

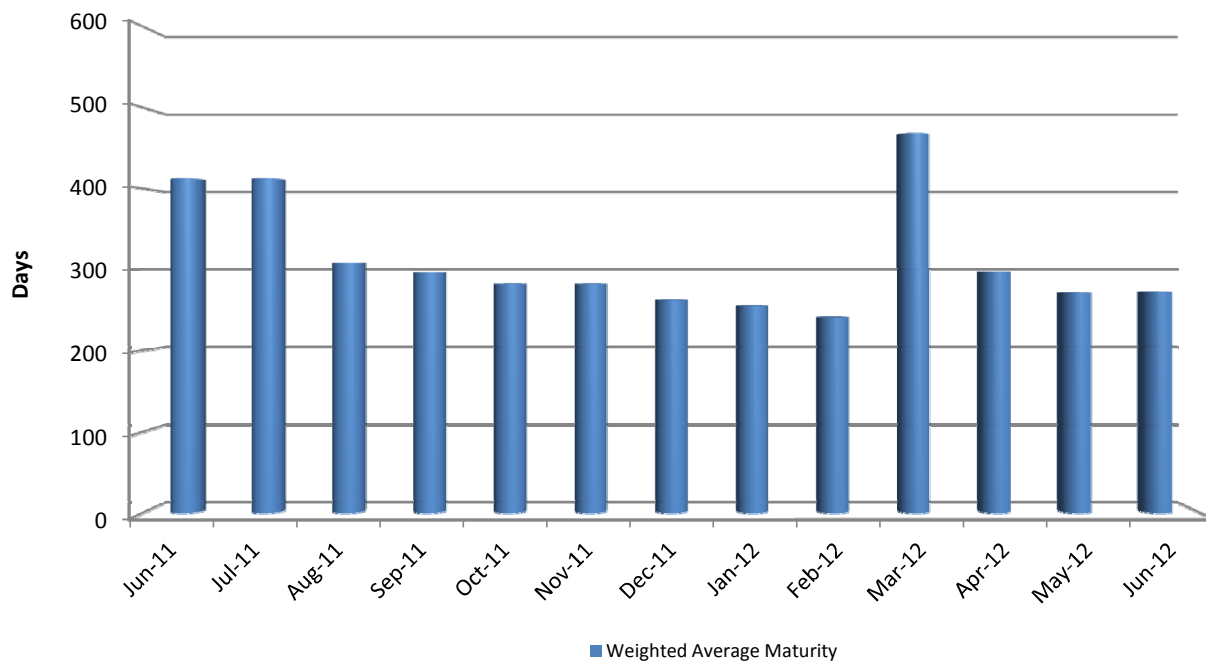
	<b>Standard</b>	<b>Actual</b>	<b>Cost</b>	<b>Market Value*</b>
Corp Medium Term Notes	30%	31.9%	\$7,158,462	\$7,103,570
Federal Agency Issues	No Limit	0.0%	\$0	\$0
Managed Pool Accounts (LAIF)	50M	68.1%	\$15,257,464	\$15,257,464
Treasury Securities	No Limit	0.0%	\$0	\$0
Municipal Bonds	No Limit	<u>0.0%</u>	<u>\$0</u>	<u>\$0</u>
		<u>100.0%</u>	<u>\$22,415,926</u>	<u>\$22,361,034</u>
Demand Account Balance	No Limit		<u>\$201,116</u>	<u>\$201,116</u>
Total			<u><u>\$22,617,042</u></u>	<u><u>\$22,562,150</u></u>

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

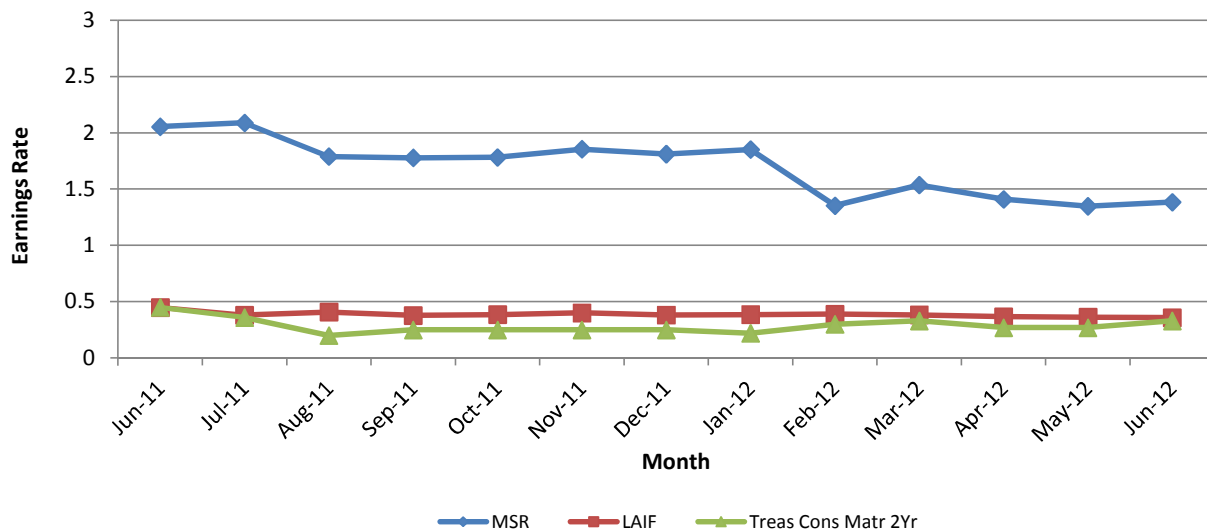
# M-S-R Public Power Agency Investment Portfolio June 2012



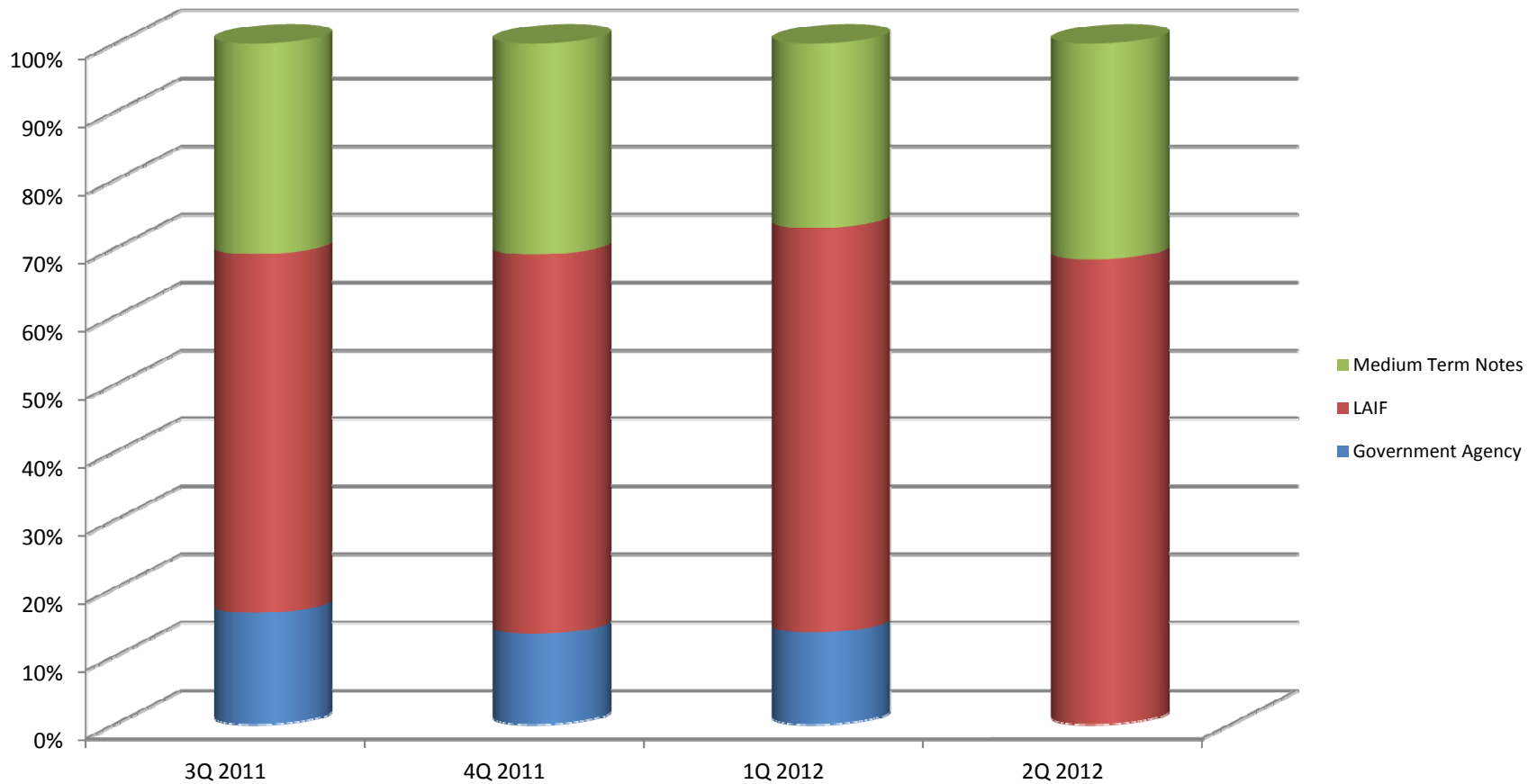
## General Fund Portfolio Average Maturity Report



## MSR / LAIF / US Treasury 2-Year



# M-S-R Public Power Agency Investment Portfolio Quarterly Comparison Second Quarter 2012





**MSR Public Power Agency**  
**Portfolio Management**  
**Portfolio Summary**  
**June 30, 2012**

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	15,257,463.67	15,257,463.67	15,257,463.67	68.07	1	1	0.358
Corporate Medium Term Notes	7,000,000.00	7,103,570.00	7,158,462.08	31.93	1,798	849	3.572
<b>Investments</b>	<b>22,257,463.67</b>	<b>22,361,033.67</b>	<b>22,415,925.75</b>	<b>100.00%</b>	<b>575</b>	<b>272</b>	<b>1.384</b>
<b>Cash and Accrued Interest</b>							
Passbook/Checking (not included in yield calculations)	201,116.02	201,116.02	201,116.02		1	1	0.000
Accrued Interest at Purchase		15,950.00	15,950.00				
Subtotal		217,066.02	217,066.02				
<b>Total Cash and Investments</b>	<b>22,458,579.69</b>	<b>22,578,099.69</b>	<b>22,632,991.77</b>		<b>575</b>	<b>272</b>	<b>1.384</b>
<b>Total Earnings</b>		<b>June 30 Month Ending</b>	<b>Fiscal Year To Date</b>				
Current Year	28,423.78	16,786,423.43					
<b>Average Daily Balance</b>	<b>22,643,940.09</b>						

Lou Hampel, Treasurer

**MSR Public Power Agency  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2012**

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	15,257,463.67	15,257,463.67	15,257,463.67	0.358		0.358	1	
<b>Subtotal and Average</b>			<b>15,317,463.67</b>		<b>15,257,463.67</b>	<b>15,257,463.67</b>	<b>15,257,463.67</b>			<b>0.358</b>	<b>1</b>	
<b>Corporate Medium Term Notes</b>												
02639ENF7	13575	American General Finance		12/06/2007	2,000,000.00	1,943,740.00	2,000,000.00	5.500		5.500	167	12/15/2012
06406HBJ7	13699	Bank of New York Mellon		04/08/2008	2,000,000.00	2,061,100.00	2,016,832.08	4.500		4.310	274	04/01/2013
36962G5N0	16340	General Electric Capital Corp		03/15/2012	3,000,000.00	3,098,730.00	3,141,630.00	2.900		1.870	1,653	01/09/2017
<b>Subtotal and Average</b>			<b>7,158,462.08</b>		<b>7,000,000.00</b>	<b>7,103,570.00</b>	<b>7,158,462.08</b>			<b>3.572</b>	<b>849</b>	
<b>Total Investments and Average</b>			<b>22,643,940.09</b>		<b>22,257,463.67</b>	<b>22,361,033.67</b>	<b>22,415,925.75</b>			<b>1.384</b>	<b>272</b>	



**MSR Public Power Agency  
Portfolio Management  
Portfolio Details - Cash  
June 30, 2012**

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	201,116.02	201,116.02	201,116.02			0.000	1
		<b>Average Balance</b>	<b>0.00</b>	Accrued Interest at Purchase		15,950.00	15,950.00				1
				Subtotal		217,066.02	217,066.02				
<b>Total Cash and Investments</b>			<b>22,643,940.09</b>		<b>22,458,579.69</b>	<b>22,578,099.69</b>	<b>22,632,991.77</b>			<b>1.384</b>	<b>272</b>

**MSR Public Power Agency  
Portfolio Management  
Investment Status Report - Investments  
June 30, 2012**

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	15,257,463.67	0.358		01/01/1999	0.353	0.358	01/15 - Quarterly		15,257,463.67	15,257,463.67
<b>Managed Pool Accounts Totals</b>			<b>15,257,463.67</b>				<b>0.353</b>	<b>0.358</b>		<b>0.00</b>	<b>15,257,463.67</b>	<b>15,257,463.67</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
36962G5N0	16340	GEC	3,000,000.00	2.900	01/09/2017	03/15/2012	1.845	1.870	07/09 - 01/09	15,950.00	3,141,630.00	3,141,630.00
<b>Corporate Medium Term Notes Totals</b>			<b>7,000,000.00</b>				<b>3.523</b>	<b>3.572</b>		<b>15,950.00</b>	<b>7,158,462.08</b>	<b>7,158,462.08</b>
<b>Investment Totals</b>			<b>22,257,463.67</b>				<b>1.365</b>	<b>1.384</b>		<b>15,950.00</b>	<b>22,415,925.75</b>	<b>22,415,925.75</b>

**MSR Public Power Agency  
Portfolio Management  
Investment Status Report - Cash  
June 30, 2012**

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	201,116.02			01/01/1999	0.000	0.000	/ - Monthly		201,116.02	201,116.02
<b>Cash Totals</b>			<b>201,116.02</b>							<b>0.00</b>	<b>201,116.02</b>	<b>201,116.02</b>
<b>Totals for Cash and Investments</b>			<b>22,458,579.69</b>				<b>1.365</b>	<b>1.384</b>		<b>15,950.00</b>	<b>22,617,041.77</b>	<b>22,617,041.77</b>

**MSR Public Power Agency  
Portfolio Management  
Investment Activity By Type  
June 1, 2012 through June 30, 2012**

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		0.358		4,300,000.00	5,200,000.00	
		<b>Subtotal</b>	<b>16,157,463.67</b>			<b>4,300,000.00</b>	<b>5,200,000.00</b>	<b>15,257,463.67</b>
<b>Passbook/Checking Accounts (Monthly Summary)</b>								
SYSGENERAL FUND	GENERAL FUND	Union Bank of California				34,243.12	0.00	
		<b>Subtotal</b>	<b>166,872.90</b>			<b>34,243.12</b>	<b>0.00</b>	<b>201,116.02</b>
<b>Corporate Medium Term Notes</b>								
		<b>Subtotal</b>	<b>7,158,462.08</b>					<b>7,158,462.08</b>
		<b>Total</b>	<b>23,482,798.65</b>			<b>4,334,243.12</b>	<b>5,200,000.00</b>	<b>22,617,041.77</b>



**MSR Public Power Agency**  
**Received Interest**  
**Sorted by Date Received**  
**Received June 1, 2012 - June 30, 2012**

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	
June 2012	02639ENF7	13575	MTN	2,000,000.00	5.500	06/15/2012	06/15/2012	55,000.00	55,000.00	-
							<b>Subtotal</b>	<b>55,000.00</b>	<b>55,000.00</b>	
							<b>Total</b>	<b>55,000.00</b>	<b>55,000.00</b>	
							<b>Total Cash Overpayment</b>	<b>0.00</b>		
							<b>Total Cash Shortfall</b>	<b>0.00</b>		

Portfolio MSRG  
 CP

RI (PRF\_RI) SymRept V6.00f2  
 Report Ver. 5.00



**MSR Public Power Agency**  
**Activity Report**  
**Issuer: Local Agency Investment Fund**  
**June 1, 2012 - June 30, 2012**

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			0.358		4,300,000.00	5,200,000.00	
		<b>Subtotal and Balance</b>		<b>16,157,463.67</b>			<b>4,300,000.00</b>	<b>5,200,000.00</b>	<b>15,257,463.67</b>
		<b>Issuer Subtotal</b>	<b>67.936%</b>	<b>16,157,463.67</b>			<b>4,300,000.00</b>	<b>5,200,000.00</b>	<b>15,257,463.67</b>
		<b>Total</b>		<b>16,157,463.67</b>			<b>4,300,000.00</b>	<b>5,200,000.00</b>	<b>15,257,463.67</b>

Portfolio MSRG  
 CP

DA (PRF\_DA) SymRept V6.00f2  
 Report Ver. 5.00



**MSR Public Power Agency Trust  
Portfolio Management  
Portfolio Summary  
June 30, 2012**

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	13,217,000.00	13,394,855.50	13,245,049.47	89.95	1,254	774	1.351
Treasury Securities - Coupon	1,390,000.00	1,627,273.00	1,479,915.63	10.05	2,576	2,144	2.856
<b>Investments</b>	<b>14,607,000.00</b>	<b>15,022,128.50</b>	<b>14,724,965.10</b>	<b>100.00%</b>	<b>1,387</b>	<b>911</b>	<b>1.502</b>
<b>Cash</b>							
Passbook/Checking (not included in yield calculations)	36,011,027.39	36,011,027.39	36,011,027.39		1	1	0.010
<b>Total Cash and Investments</b>	<b>50,618,027.39</b>	<b>51,033,155.89</b>	<b>50,735,992.49</b>		<b>1,387</b>	<b>911</b>	<b>1.502</b>
<b>Total Earnings</b>	<b>June 30 Month Ending</b>	<b>Fiscal Year To Date</b>					
Current Year	21,633.23	8,919,888.16					
<b>Average Daily Balance</b>	<b>48,429,594.28</b>						

Lou Hampel, Treasurer

**MSR Public Power Agency Trust  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2012**

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	2,698,228.00	2,588,341.89	4.250		4.351	348	06/14/2013
3137EACY3	16188	Federal Home Loan Mortgage Corp		11/07/2011	6,440,000.00	6,488,300.00	6,464,085.60	0.750		0.616	877	11/25/2014
3137EACY3	16189	Federal Home Loan Mortgage Corp		11/07/2011	3,066,000.00	3,088,995.00	3,077,466.84	0.750		0.631	877	11/25/2014
3137EACY3	16190	Federal Home Loan Mortgage Corp		11/07/2011	1,111,000.00	1,119,332.50	1,115,155.14	0.750		0.631	877	11/25/2014
<b>Subtotal and Average</b>			<b>13,245,049.47</b>		<b>13,217,000.00</b>	<b>13,394,855.50</b>	<b>13,245,049.47</b>			<b>1.351</b>	<b>774</b>	
<b>Federal Agency Issues - Discount</b>												
<b>Subtotal and Average</b>			<b>24,223,301.45</b>									
<b>Treasury Securities - Coupon</b>												
912828HZ6	15842	U.S. Treasury		04/26/2011	1,390,000.00	1,627,273.00	1,479,915.63	3.875		2.856	2,144	05/15/2018
<b>Subtotal and Average</b>			<b>1,479,915.63</b>		<b>1,390,000.00</b>	<b>1,627,273.00</b>	<b>1,479,915.63</b>			<b>2.856</b>	<b>2,144</b>	
<b>Total Investments and Average</b>			<b>48,429,594.28</b>		<b>14,607,000.00</b>	<b>15,022,128.50</b>	<b>14,724,965.10</b>			<b>1.502</b>	<b>911</b>	



**MSR Public Power Agency Trust  
Portfolio Management  
Portfolio Details - Cash  
June 30, 2012**

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	0.00	0.00	0.00	0.010		0.010	1
SYS0744 MONEY	0744 MONEY	U S BANK		09/26/2001	0.00	0.00	0.00	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			0.00	0.00	0.00	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	534,909.56	534,909.56	534,909.56	0.010		0.010	1
SYS30001 MONEY	30001 MONEY	U S BANK		12/24/2008	2,913,111.09	2,913,111.09	2,913,111.09	0.010		0.010	1
SYS30002 MONEY	30002 MONEY	U S BANK		01/26/2009	745,155.75	745,155.75	745,155.75	0.010		0.010	1
SYS30003 MONEY	30003 MONEY	U S BANK		07/23/2008	29,054.40	29,054.40	29,054.40	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	0.00	0.00	0.00	0.010		0.010	1
SYS31000 MONEY	31000 MONEY	U S BANK		05/01/2009	1,149.74	1,149.74	1,149.74	0.010		0.010	1
SYS31003 MONEY	31003 MONEY	U S BANK		07/23/2008	14,030.62	14,030.62	14,030.62	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	416.63	416.63	416.63	0.010		0.010	1
SYS32003 MONEY	32003 MONEY	U S BANK		07/24/2008	5,401.11	5,401.11	5,401.11	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			1,326,086.12	1,326,086.12	1,326,086.12	0.010		0.010	1
SYS5591 MONEY	5591 MONEY	U S BANK			231,959.37	231,959.37	231,959.37	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**  
**June 30, 2012**

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	415,232.92	415,232.92	415,232.92	0.010		0.010	1
SYS69001 MONEY	69001 MONEY	U S BANK		12/24/2007	827,005.82	827,005.82	827,005.82	0.010		0.010	1
SYS69002 MONEY	69002 MONEY	U S BANK		01/25/2008	13,567,838.09	13,567,838.09	13,567,838.09	0.010		0.010	1
SYS69003 MONEY	69003 MONEY	U S BANK		12/04/2007	72,588.11	72,588.11	72,588.11	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
SYS7000 MONEY	7000 MONEY	U S BANK		01/01/2011	3,628,708.26	3,628,708.26	3,628,708.26	0.010		0.010	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			272,605.55	272,605.55	272,605.55	0.010		0.010	1
SYS7262 MONEY	7262 MONEY	U S BANK			4,320,904.27	4,320,904.27	4,320,904.27	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
SYS785000 MONEY	785000 MONEY	U S BANK		03/28/2012	29,758.29	29,758.29	29,758.29	0.010		0.010	1
SYS785001 MONEY	785001 MONEY	U S BANK		05/25/2011	684,208.31	684,208.31	684,208.31	0.010		0.010	1
SYS785002 MONEY	785002 MONEY	U S BANK		07/25/2011	5,261,100.25	5,261,100.25	5,261,100.25	0.010		0.010	1
SYS785003 MONEY	785003 MONEY	U S BANK		04/26/2011	52,035.62	52,035.62	52,035.62	0.010		0.010	1
SYS785004 MONEY	785004 MONEY	U S BANK		04/26/2011	35,238.01	35,238.01	35,238.01	0.010		0.010	1
SYS8000 MONEY	8000 MONEY	U S BANK		01/01/2011	1,042,529.39	1,042,529.39	1,042,529.39	0.010		0.010	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	0.00	0.00	0.00	0.010		0.010	1
SYS9001 MONEY	9001 MONEY	U S BANK		05/25/2004	0.00	0.00	0.00	0.010		0.010	1
SYS9002 MONEY	9002 MONEY	U S BANK		05/25/2004	0.00	0.00	0.00	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

**MSR Public Power Agency Trust  
Portfolio Management  
Portfolio Details - Cash  
June 30, 2012**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity
		Average Balance	0.00								1
		Total Cash and Investments	48,429,594.28		50,618,027.39	51,033,155.89	50,735,992.49			1.502	911

**MSR Public Power Agency Trust  
Portfolio Management  
Investment Status Report - Investments  
June 30, 2012**

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
3137EACY3	16188	FHLMC	6,440,000.00	0.750	11/25/2014	11/07/2011	0.608	0.616	11/25 - 05/25	Received	6,464,085.60	6,464,085.60
3137EACY3	16189	FHLMC	3,066,000.00	0.750	11/25/2014	11/07/2011	0.622	0.631	11/25 - 05/25	Received	3,077,466.84	3,077,466.84
3137EACY3	16190	FHLMC	1,111,000.00	0.750	11/25/2014	11/07/2011	0.622	0.631	11/25 - 05/25	Received	1,115,155.14	1,115,155.14
<b>Federal Agency Issues - Coupon Totals</b>			<b>13,217,000.00</b>				<b>1.332</b>	<b>1.351</b>		<b>0.00</b>	<b>13,245,049.47</b>	<b>13,245,049.47</b>
<b>Treasury Securities - Coupon</b>												
912828HZ6	15842	US TRE	1,390,000.00	3.875	05/15/2018	04/26/2011	2.816	2.856	05/15 - 11/15	Received	1,479,915.63	1,479,915.63
<b>Treasury Securities - Coupon Totals</b>			<b>1,390,000.00</b>				<b>2.816</b>	<b>2.856</b>		<b>0.00</b>	<b>1,479,915.63</b>	<b>1,479,915.63</b>
<b>Investment Totals</b>			<b>14,607,000.00</b>				<b>1.481</b>	<b>1.502</b>		<b>0.00</b>	<b>14,724,965.10</b>	<b>14,724,965.10</b>

**MSR Public Power Agency Trust  
Portfolio Management  
Investment Status Report - Cash  
June 30, 2012**

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	0.00	0.010		09/26/2001	0.010	0.010	09/26 - Monthly		0.00	0.00
SYS0744 MONEY	0744 MONEY	USBANK	0.00	0.010		09/26/2001	0.010	0.010	09/26 - Monthly		0.00	0.00
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	0.00	0.010			0.010	0.010	01/02 - Monthly		0.00	0.00
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	534,909.56	0.010		05/01/2009	0.010	0.010	05/01 - Monthly		534,909.56	534,909.56
SYS30001 MONEY	30001 MONEY	USBANK	2,913,111.09	0.010		12/24/2008	0.010	0.010	01/01 - Monthly		2,913,111.09	2,913,111.09
SYS30002 MONEY	30002 MONEY	USBANK	745,155.75	0.010		01/26/2009	0.010	0.010	01/26 - Monthly		745,155.75	745,155.75
SYS30003 MONEY	30003 MONEY	USBANK	29,054.40	0.010		07/23/2008	0.010	0.010	08/01 - Monthly		29,054.40	29,054.40
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	0.00	0.010		07/24/2008	0.010	0.010	08/01 - Monthly		0.00	0.00
SYS31000 MONEY	31000 MONEY	USBANK	1,149.74	0.010		05/01/2009	0.010	0.010	05/01 - Monthly		1,149.74	1,149.74
SYS31003 MONEY	31003 MONEY	USBANK	14,030.62	0.010		07/23/2008	0.010	0.010	08/01 - Monthly		14,030.62	14,030.62
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	416.63	0.010		05/01/2009	0.010	0.010	05/01 - Monthly		416.63	416.63
SYS32003 MONEY	32003 MONEY	USBANK	5,401.11	0.010		07/24/2008	0.010	0.010	08/01 - Monthly		5,401.11	5,401.11
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	1,326,086.12	0.010			0.010	0.010	01/01 - Monthly		1,326,086.12	1,326,086.12
SYS5591 MONEY	5591 MONEY	USBANK	231,959.37	0.010			0.010	0.010	01/01 - Monthly		231,959.37	231,959.37
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  
June 30, 2012**

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	415,232.92	0.010		05/01/2009	0.010	0.010	05/01 - Monthly		415,232.92	415,232.92
SYS69001 MONEY	69001 MONEY	USBANK	827,005.82	0.010		12/24/2007	0.010	0.010	01/01 - Monthly		827,005.82	827,005.82
SYS69002 MONEY	69002 MONEY	USBANK	13,567,838.09	0.010		01/25/2008	0.010	0.010	01/25 - Monthly		13,567,838.09	13,567,838.09
SYS69003 MONEY	69003 MONEY	USBANK	72,588.11	0.010		12/04/2007	0.010	0.010	01/01 - Monthly		72,588.11	72,588.11
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
SYS7000 MONEY	7000 MONEY	USBANK	3,628,708.26	0.010		01/01/2011	0.010	0.010	01/01 - Monthly		3,628,708.26	3,628,708.26
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	272,605.55	0.010			0.010	0.010	01/02 - Monthly		272,605.55	272,605.55
SYS7262 MONEY	7262 MONEY	USBANK	4,320,904.27	0.010			0.010	0.010	01/02 - Monthly		4,320,904.27	4,320,904.27
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
SYS785000 MONEY	785000 MONEY	USBANK	29,758.29	0.010		03/28/2012	0.010	0.010	04/01 - Monthly		29,758.29	29,758.29
SYS785001 MONEY	785001 MONEY	USBANK	684,208.31	0.010		05/25/2011	0.010	0.010	06/01 - Monthly		684,208.31	684,208.31
SYS785002 MONEY	785002 MONEY	USBANK	5,261,100.25	0.010		07/25/2011	0.010	0.010	08/01 - Monthly		5,261,100.25	5,261,100.25
SYS785003 MONEY	785003 MONEY	USBANK	52,035.62	0.010		04/26/2011	0.010	0.010	05/01 - Monthly		52,035.62	52,035.62
SYS785004 MONEY	785004 MONEY	USBANK	35,238.01	0.010		04/26/2011	0.010	0.010	05/01 - Monthly		35,238.01	35,238.01
SYS8000 MONEY	8000 MONEY	USBANK	1,042,529.39	0.010		01/01/2011	0.010	0.010	01/01 - Monthly		1,042,529.39	1,042,529.39
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	0.00	0.010		06/25/2004	0.010	0.010	06/25 - Monthly		0.00	0.00
SYS9001 MONEY	9001 MONEY	USBANK	0.00	0.010		05/25/2004	0.010	0.010	05/25 - Monthly		0.00	0.00

**MSR Public Power Agency Trust  
Portfolio Management  
Investment Status Report - Cash  
June 30, 2012**

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>												
SYS9002 MONEY	9002 MONEY	USBANK	0.00	0.010		05/25/2004	0.010	0.010	05/25 - Monthly		0.00	0.00
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>36,011,027.39</b>							<b>0.00</b>	<b>36,011,027.39</b>	<b>36,011,027.39</b>
<b>Totals for Cash and Investments</b>			<b>50,618,027.39</b>				<b>1.481</b>	<b>1.502</b>		<b>0.00</b>	<b>50,735,992.49</b>	<b>50,735,992.49</b>

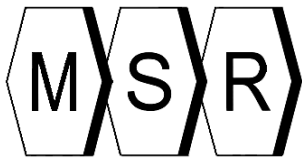
**MSR Public Power Agency Trust  
Portfolio Management  
Investment Activity By Type  
June 1, 2012 through June 30, 2012**

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>								
SYS30001	MONEY	30001 MONEY		0.010		2,912,406.58	0.00	
SYS30002	MONEY	30002 MONEY		0.010		745,049.91	0.00	
SYS31000	MONEY	31000 MONEY		0.010		50,416.67	50,416.67	
SYS32000	MONEY	32000 MONEY		0.010		17,552.50	17,552.50	
SYS5590	MONEY	5590 MONEY		0.010		1,325,963.20	0.00	
SYS5591	MONEY	5591 MONEY		0.010		3.16	0.00	
SYS69001	MONEY	69001 MONEY		0.010		826,802.55	0.00	
SYS69002	MONEY	69002 MONEY		0.010		13,567,807.16	0.00	
SYS69003	MONEY	69003 MONEY		0.010		55,250.00	0.00	
SYS7000	MONEY	7000 MONEY		0.010		2,810,043.78	2,809,990.84	
SYS7261	MONEY	7261 MONEY		0.010		272,423.84	0.00	
SYS7262	MONEY	7262 MONEY		0.010		4,320,808.03	0.00	
SYS785001	MONEY	785001 MONEY		0.010		684,008.44	0.00	
SYS785002	MONEY	785002 MONEY		0.010		5,260,301.70	0.00	
SYS8000	MONEY	8000 MONEY		0.010		723,998.26	723,983.00	
		<b>Subtotal</b>	<b>6,040,134.62</b>			<b>33,572,835.78</b>	<b>3,601,943.01</b>	<b>36,011,027.39</b>
<b>Federal Agency Issues - Coupon</b>								
		<b>Subtotal</b>	<b>13,245,049.47</b>					<b>13,245,049.47</b>
<b>Federal Agency Issues - Discount</b>								
313384YJ2	16372	Federal Home Loan Bank			06/20/2012	0.00	220,961.75	
313384YJ2	16373	Federal Home Loan Bank			06/20/2012	0.00	45,992.04	
313384YJ2	16374	Federal Home Loan Bank			06/20/2012	0.00	359,937.70	
313384YJ2	16375	Federal Home Loan Bank			06/20/2012	0.00	137,976.12	
313384YJ2	16376	Federal Home Loan Bank			06/20/2012	0.00	1,129,804.45	
313384YJ2	16377	Federal Home Loan Bank			06/20/2012	0.00	484,916.07	
313384YJ2	16378	Federal Home Loan Bank			06/20/2012	0.00	61,989.27	
313384YJ2	16379	Federal Home Loan Bank			06/20/2012	0.00	113,980.27	
313384YJ2	16380	Federal Home Loan Bank			06/20/2012	0.00	438,924.03	
313384YT0	16413	Federal Home Loan Bank			06/29/2012	0.00	220,972.07	
313384YT0	16414	Federal Home Loan Bank			06/29/2012	0.00	44,994.31	
313384YT0	16415	Federal Home Loan Bank			06/29/2012	0.00	359,954.50	
313384YT0	16416	Federal Home Loan Bank			06/29/2012	0.00	137,982.56	
313384YT0	16417	Federal Home Loan Bank			06/29/2012	0.00	1,129,857.18	
313384YT0	16418	Federal Home Loan Bank			06/29/2012	0.00	485,938.58	
313384YT0	16419	Federal Home Loan Bank			06/29/2012	0.00	62,992.04	
313384YT0	16420	Federal Home Loan Bank			06/29/2012	0.00	113,985.59	
313384YT0	16421	Federal Home Loan Bank			06/29/2012	0.00	437,944.64	



**MSR Public Power Agency Trust  
Portfolio Management  
Investment Activity By Type  
June 1, 2012 through June 30, 2012**

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Sales/Maturities or Withdrawals	Ending Balance
<b>Federal Agency Issues - Discount</b>								
313588YT6	16449	Federal Nat'l Mtg. Assoc.			06/29/2012	0.00	220,989.26	
313588YT6	16450	Federal Nat'l Mtg. Assoc.			06/29/2012	0.00	45,997.76	
313588YT6	16451	Federal Nat'l Mtg. Assoc.			06/29/2012	0.00	359,982.50	
313588YT6	16452	Federal Nat'l Mtg. Assoc.			06/29/2012	0.00	137,993.29	
313588YT6	16453	Federal Nat'l Mtg. Assoc.			06/29/2012	0.00	1,129,945.07	
313588YT6	16454	Federal Nat'l Mtg. Assoc.			06/29/2012	0.00	484,976.42	
313588YT6	16455	Federal Nat'l Mtg. Assoc.			06/29/2012	0.00	61,996.99	
313588YT6	16456	Federal Nat'l Mtg. Assoc.			06/29/2012	0.00	113,994.46	
313588YT6	16457	Federal Nat'l Mtg. Assoc.			06/29/2012	0.00	437,978.71	
313396YT4	16283	Freddie Mac Discount Note			06/29/2012	0.00	220,942.54	
313396YT4	16284	Freddie Mac Discount Note			06/29/2012	0.00	44,988.30	
313396YT4	16285	Freddie Mac Discount Note			06/29/2012	0.00	2,520,344.54	
313396YT4	16286	Freddie Mac Discount Note			06/29/2012	0.00	136,964.38	
313396YT4	16287	Freddie Mac Discount Note			06/29/2012	0.00	7,915,941.32	
313396YT4	16288	Freddie Mac Discount Note			06/29/2012	0.00	484,873.90	
313396YT4	16289	Freddie Mac Discount Note			06/29/2012	0.00	433,887.16	
313396YT4	16290	Freddie Mac Discount Note			06/29/2012	0.00	113,970.36	
313396YT4	16291	Freddie Mac Discount Note			06/29/2012	0.00	3,068,202.06	
313396YT4	16329	Freddie Mac Discount Note			06/29/2012	0.00	220,924.48	
313396YT4	16330	Freddie Mac Discount Note			06/29/2012	0.00	44,984.63	
313396YT4	16331	Freddie Mac Discount Note			06/29/2012	0.00	359,877.00	
313396YT4	16332	Freddie Mac Discount Note			06/29/2012	0.00	137,952.85	
313396YT4	16333	Freddie Mac Discount Note			06/29/2012	0.00	1,129,613.92	
313396YT4	16334	Freddie Mac Discount Note			06/29/2012	0.00	485,833.95	
313396YT4	16335	Freddie Mac Discount Note			06/29/2012	0.00	61,978.82	
313396YT4	16336	Freddie Mac Discount Note			06/29/2012	0.00	113,961.05	
313396YT4	16337	Freddie Mac Discount Note			06/29/2012	0.00	437,850.35	
		<b>Subtotal</b>	<b>26,916,049.24</b>			<b>0.00</b>	<b>26,916,049.24</b>	<b>0.00</b>
<b>Treasury Securities - Coupon</b>								
		<b>Subtotal</b>	<b>1,479,915.63</b>					<b>1,479,915.63</b>
		<b>Total</b>	<b>47,681,148.96</b>			<b>33,572,835.78</b>	<b>30,517,992.25</b>	<b>50,735,992.49</b>



**MSR Public Power Agency Trust**  
**Received Interest**  
**Sorted by Date Received**  
**Received June 1, 2012 - June 30, 2012**

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

Date Received	CUSIP	Investment #	Investment Type	Par Value	Current Rate	Interest				
						Date Due	Received	P & I Due	Amount Received	Variance
<b>June 2012</b>	3133XRFL9	13816	FAC	2,600,000.00	4.250	06/14/2012	06/14/2012	55,250.00	55,250.00	-
	313384YJ2	16372	FAD	0.00		06/20/2012	06/20/2012	38.25	38.25	-
	313384YJ2	16373	FAD	0.00		06/20/2012	06/20/2012	7.96	7.96	-
	313384YJ2	16374	FAD	0.00		06/20/2012	06/20/2012	62.30	62.30	-
	313384YJ2	16375	FAD	0.00		06/20/2012	06/20/2012	23.88	23.88	-
	313384YJ2	16376	FAD	0.00		06/20/2012	06/20/2012	195.55	195.55	-
	313384YJ2	16377	FAD	0.00		06/20/2012	06/20/2012	83.93	83.93	-
	313384YJ2	16378	FAD	0.00		06/20/2012	06/20/2012	10.73	10.73	-
	313384YJ2	16379	FAD	0.00		06/20/2012	06/20/2012	19.73	19.73	-
	313384YJ2	16380	FAD	0.00		06/20/2012	06/20/2012	75.97	75.97	-
	313384YT0	16413	FAD	0.00		06/29/2012	06/29/2012	27.93	27.93	-
	313384YT0	16414	FAD	0.00		06/29/2012	06/29/2012	5.69	5.69	-
	313384YT0	16415	FAD	0.00		06/29/2012	06/29/2012	45.50	45.50	-
	313384YT0	16416	FAD	0.00		06/29/2012	06/29/2012	17.44	17.44	-
	313384YT0	16417	FAD	0.00		06/29/2012	06/29/2012	142.82	142.82	-
	313384YT0	16418	FAD	0.00		06/29/2012	06/29/2012	61.42	61.42	-
	313384YT0	16419	FAD	0.00		06/29/2012	06/29/2012	7.96	7.96	-
	313384YT0	16420	FAD	0.00		06/29/2012	06/29/2012	14.41	14.41	-
	313384YT0	16421	FAD	0.00		06/29/2012	06/29/2012	55.36	55.36	-
	313588YT6	16449	FAD	0.00		06/29/2012	06/29/2012	10.74	10.74	-
	313588YT6	16450	FAD	0.00		06/29/2012	06/29/2012	2.24	2.24	-
	313588YT6	16451	FAD	0.00		06/29/2012	06/29/2012	17.50	17.50	-
	313588YT6	16452	FAD	0.00		06/29/2012	06/29/2012	6.71	6.71	-
	313588YT6	16453	FAD	0.00		06/29/2012	06/29/2012	54.93	54.93	-
	313588YT6	16454	FAD	0.00		06/29/2012	06/29/2012	23.58	23.58	-
	313588YT6	16455	FAD	0.00		06/29/2012	06/29/2012	3.01	3.01	-
	313588YT6	16456	FAD	0.00		06/29/2012	06/29/2012	5.54	5.54	-
	313588YT6	16457	FAD	0.00		06/29/2012	06/29/2012	21.29	21.29	-
	313396YT4	16283	FAD	0.00		06/29/2012	06/29/2012	57.46	57.46	-
	313396YT4	16284	FAD	0.00		06/29/2012	06/29/2012	11.70	11.70	-
	313396YT4	16285	FAD	0.00		06/29/2012	06/29/2012	655.46	655.46	-
	313396YT4	16286	FAD	0.00		06/29/2012	06/29/2012	35.62	35.62	-
	313396YT4	16287	FAD	0.00		06/29/2012	06/29/2012	2,058.68	2,058.68	-
	313396YT4	16288	FAD	0.00		06/29/2012	06/29/2012	126.10	126.10	-
	313396YT4	16289	FAD	0.00		06/29/2012	06/29/2012	112.84	112.84	-
	313396YT4	16290	FAD	0.00		06/29/2012	06/29/2012	29.64	29.64	-
	313396YT4	16291	FAD	0.00		06/29/2012	06/29/2012	797.94	797.94	-
	313396YT4	16329	FAD	0.00		06/29/2012	06/29/2012	75.52	75.52	-

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**MSR Public Power Agency Trust  
Received Interest  
Received June 1, 2012 - June 30, 2012**

Date Received	CUSIP	Investment #	Investment Type	Par Value	Current Rate			Interest		Variance	
						Date Due	Received	P & I Due	Amount Received		
<b>June 2012</b>	313396YT4	16330	FAD	0.00		06/29/2012	06/29/2012	15.37	15.37	-	
	313396YT4	16331	FAD	0.00		06/29/2012	06/29/2012	123.00	123.00	-	
	313396YT4	16332	FAD	0.00		06/29/2012	06/29/2012	47.15	47.15	-	
	313396YT4	16333	FAD	0.00		06/29/2012	06/29/2012	386.08	386.08	-	
	313396YT4	16334	FAD	0.00		06/29/2012	06/29/2012	166.05	166.05	-	
	313396YT4	16335	FAD	0.00		06/29/2012	06/29/2012	21.18	21.18	-	
	313396YT4	16336	FAD	0.00		06/29/2012	06/29/2012	38.95	38.95	-	
	313396YT4	16337	FAD	0.00		06/29/2012	06/29/2012	149.65	149.65	-	
							<b>Subtotal</b>	<b>61,200.76</b>	<b>61,200.76</b>		
								<b>Total</b>	<b>61,200.76</b>	<b>61,200.76</b>	
								<b>Total Cash Overpayment</b>	<b>0.00</b>		
								<b>Total Cash Shortfall</b>	<b>0.00</b>		

**MSR Public Power Agency Trust**  
**Received Interest**  
**Received June 1, 2012 - June 30, 2012**

Date Received	CUSIP	Investment #	Investment Type	Par Value	Current Rate	Interest	
						Date Received	Amount Received
<b>Cash Accounts</b>							
<b>June 2012</b>	SYS5591 MONEY	5591 MONEY	PA1	231,959.37	0.010	06/01/2012	3.16
	SYS7000MONEY	7000MONEY	PA1	3,628,708.26	0.010	06/01/2012	52.94
	SYS7261 MONEY	7261 MONEY	PA1	272,605.55	0.010	06/01/2012	0.01
	SYS8000MONEY	8000MONEY	PA1	1,042,529.39	0.010	06/01/2012	15.26
						<b>Subtotal</b>	<b>71.37</b>
						<b>Total</b>	<b>71.37</b>



**MSR Public Power Agency Trust**  
**Realized Gains and Losses**  
**Sorted By Maturity/Sale/Call Date**  
**Sales/Calls/Maturities: June 1, 2012 - June 30, 2012**

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

Investment #	Inv. Type	Purchase Date	Par Value	Sale Date	Days Held		Maturity/Sale	Realized	Total	Total	Total
Issuer			Current Rate	Maturity Date	Term	Book Value	Proceeds	Gain/Loss	Earnings	Net Earnings	Yield 365
16372	FAD	03/23/2012	221,000.00	06/20/2012	89	220,961.75	221,000.00	0.00	38.25	38.25	0.071
Federal Home Loan Bank				06/20/2012	89						
16373	FAD	03/23/2012	46,000.00	06/20/2012	89	45,992.04	46,000.00	0.00	7.96	7.96	0.071
Federal Home Loan Bank				06/20/2012	89						
16374	FAD	03/23/2012	360,000.00	06/20/2012	89	359,937.70	360,000.00	0.00	62.30	62.30	0.071
Federal Home Loan Bank				06/20/2012	89						
16375	FAD	03/23/2012	138,000.00	06/20/2012	89	137,976.12	138,000.00	0.00	23.88	23.88	0.071
Federal Home Loan Bank				06/20/2012	89						
16376	FAD	03/23/2012	1,130,000.00	06/20/2012	89	1,129,804.45	1,130,000.00	0.00	195.55	195.55	0.071
Federal Home Loan Bank				06/20/2012	89						
16377	FAD	03/23/2012	485,000.00	06/20/2012	89	484,916.07	485,000.00	0.00	83.93	83.93	0.071
Federal Home Loan Bank				06/20/2012	89						
16378	FAD	03/23/2012	62,000.00	06/20/2012	89	61,989.27	62,000.00	0.00	10.73	10.73	0.071
Federal Home Loan Bank				06/20/2012	89						
16379	FAD	03/23/2012	114,000.00	06/20/2012	89	113,980.27	114,000.00	0.00	19.73	19.73	0.071
Federal Home Loan Bank				06/20/2012	89						
16380	FAD	03/23/2012	439,000.00	06/20/2012	89	438,924.03	439,000.00	0.00	75.97	75.97	0.071
Federal Home Loan Bank				06/20/2012	89						
16413	FAD	04/25/2012	221,000.00	06/29/2012	65	220,972.07	221,000.00	0.00	27.93	27.93	0.071
Federal Home Loan Bank				06/29/2012	65						
16414	FAD	04/25/2012	45,000.00	06/29/2012	65	44,994.31	45,000.00	0.00	5.69	5.69	0.071
Federal Home Loan Bank				06/29/2012	65						
16415	FAD	04/25/2012	360,000.00	06/29/2012	65	359,954.50	360,000.00	0.00	45.50	45.50	0.071
Federal Home Loan Bank				06/29/2012	65						
16416	FAD	04/25/2012	138,000.00	06/29/2012	65	137,982.56	138,000.00	0.00	17.44	17.44	0.071
Federal Home Loan Bank				06/29/2012	65						
16417	FAD	04/25/2012	1,130,000.00	06/29/2012	65	1,129,857.18	1,130,000.00	0.00	142.82	142.82	0.071
Federal Home Loan Bank				06/29/2012	65						
16418	FAD	04/25/2012	486,000.00	06/29/2012	65	485,938.58	486,000.00	0.00	61.42	61.42	0.071
Federal Home Loan Bank				06/29/2012	65						
16419	FAD	04/25/2012	63,000.00	06/29/2012	65	62,992.04	63,000.00	0.00	7.96	7.96	0.071
Federal Home Loan Bank				06/29/2012	65						
16420	FAD	04/25/2012	114,000.00	06/29/2012	65	113,985.59	114,000.00	0.00	14.41	14.41	0.071
Federal Home Loan Bank				06/29/2012	65						
16421	FAD	04/25/2012	438,000.00	06/29/2012	65	437,944.64	438,000.00	0.00	55.36	55.36	0.071
Federal Home Loan Bank				06/29/2012	65						
16449	FAD	05/25/2012	221,000.00	06/29/2012	35	220,989.26	221,000.00	0.00	10.74	10.74	0.051
Federal Nat'l Mtg. Assoc.				06/29/2012	35						

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**MSR Public Power Agency Trust**  
**Realized Gains and Losses**  
**Sales/Calls/Maturities: June 1, 2012 - June 30, 2012**

<u>Investment #</u>	<u>Inv. Type</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Sale Date</u>	<u>Days Held</u>	<u>Maturity/Sale Proceeds</u>	<u>Realized Gain/Loss</u>	<u>Total Earnings</u>	<u>Total Net Earnings</u>	<u>Total Yield 365</u>	
<u>Issuer</u>			<u>Current Rate</u>	<u>Maturity Date</u>	<u>Term</u>	<u>Book Value</u>					
16450	FAD	05/25/2012	46,000.00	06/29/2012	35	45,997.76	46,000.00	0.00	2.24	2.24	0.051
Federal Nat'l Mtg. Assoc.				06/29/2012	35						
16451	FAD	05/25/2012	360,000.00	06/29/2012	35	359,982.50	360,000.00	0.00	17.50	17.50	0.051
Federal Nat'l Mtg. Assoc.				06/29/2012	35						
16452	FAD	05/25/2012	138,000.00	06/29/2012	35	137,993.29	138,000.00	0.00	6.71	6.71	0.051
Federal Nat'l Mtg. Assoc.				06/29/2012	35						
16453	FAD	05/25/2012	1,130,000.00	06/29/2012	35	1,129,945.07	1,130,000.00	0.00	54.93	54.93	0.051
Federal Nat'l Mtg. Assoc.				06/29/2012	35						
16454	FAD	05/25/2012	485,000.00	06/29/2012	35	484,976.42	485,000.00	0.00	23.58	23.58	0.051
Federal Nat'l Mtg. Assoc.				06/29/2012	35						
16455	FAD	05/25/2012	62,000.00	06/29/2012	35	61,996.99	62,000.00	0.00	3.01	3.01	0.051
Federal Nat'l Mtg. Assoc.				06/29/2012	35						
16456	FAD	05/25/2012	114,000.00	06/29/2012	35	113,994.46	114,000.00	0.00	5.54	5.54	0.051
Federal Nat'l Mtg. Assoc.				06/29/2012	35						
16457	FAD	05/25/2012	438,000.00	06/29/2012	35	437,978.71	438,000.00	0.00	21.29	21.29	0.051
Federal Nat'l Mtg. Assoc.				06/29/2012	35						
16283	FAD	01/25/2012	221,000.00	06/29/2012	156	220,942.54	221,000.00	0.00	57.46	57.46	0.061
Freddie Mac Discount Note				06/29/2012	156						
16284	FAD	01/25/2012	45,000.00	06/29/2012	156	44,988.30	45,000.00	0.00	11.70	11.70	0.061
Freddie Mac Discount Note				06/29/2012	156						
16285	FAD	01/25/2012	2,521,000.00	06/29/2012	156	2,520,344.54	2,521,000.00	0.00	655.46	655.46	0.061
Freddie Mac Discount Note				06/29/2012	156						
16286	FAD	01/25/2012	137,000.00	06/29/2012	156	136,964.38	137,000.00	0.00	35.62	35.62	0.061
Freddie Mac Discount Note				06/29/2012	156						
16287	FAD	01/25/2012	7,918,000.00	06/29/2012	156	7,915,941.32	7,918,000.00	0.00	2,058.68	2,058.68	0.061
Freddie Mac Discount Note				06/29/2012	156						
16288	FAD	01/25/2012	485,000.00	06/29/2012	156	484,873.90	485,000.00	0.00	126.10	126.10	0.061
Freddie Mac Discount Note				06/29/2012	156						
16289	FAD	01/25/2012	434,000.00	06/29/2012	156	433,887.16	434,000.00	0.00	112.84	112.84	0.061
Freddie Mac Discount Note				06/29/2012	156						
16290	FAD	01/25/2012	114,000.00	06/29/2012	156	113,970.36	114,000.00	0.00	29.64	29.64	0.061
Freddie Mac Discount Note				06/29/2012	156						
16291	FAD	01/25/2012	3,069,000.00	06/29/2012	156	3,068,202.06	3,069,000.00	0.00	797.94	797.94	0.061
Freddie Mac Discount Note				06/29/2012	156						
16329	FAD	02/27/2012	221,000.00	06/29/2012	123	220,924.48	221,000.00	0.00	75.52	75.52	0.101
Freddie Mac Discount Note				06/29/2012	123						
16330	FAD	02/27/2012	45,000.00	06/29/2012	123	44,984.63	45,000.00	0.00	15.37	15.37	0.101
Freddie Mac Discount Note				06/29/2012	123						
16331	FAD	02/27/2012	360,000.00	06/29/2012	123	359,877.00	360,000.00	0.00	123.00	123.00	0.101
Freddie Mac Discount Note				06/29/2012	123						
16332	FAD	02/27/2012	138,000.00	06/29/2012	123	137,952.85	138,000.00	0.00	47.15	47.15	0.101
Freddie Mac Discount Note				06/29/2012	123						
16333	FAD	02/27/2012	1,130,000.00	06/29/2012	123	1,129,613.92	1,130,000.00	0.00	386.08	386.08	0.101
Freddie Mac Discount Note				06/29/2012	123						

Portfolio MSRT

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**MSR Public Power Agency Trust**  
**Realized Gains and Losses**  
**Sales/Calls/Maturities: June 1, 2012 - June 30, 2012**

<u>Investment #</u>	<u>Inv.</u>	<u>Purchase</u>	<u>Par Value</u>	<u>Sale Date</u>	<u>Days Held</u>		<u>Maturity/Sale</u>	<u>Realized</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>
<u>Issuer</u>	<u>Type</u>	<u>Date</u>	<u>Current Rate</u>	<u>Maturity Date</u>	<u>Term</u>	<u>Book Value</u>	<u>Proceeds</u>	<u>Gain/Loss</u>	<u>Earnings</u>	<u>Net Earnings</u>	<u>Yield 365</u>
16334	FAD	02/27/2012	486,000.00	06/29/2012	123	485,833.95	486,000.00	0.00	166.05	166.05	0.101
Freddie Mac Discount Note				06/29/2012	123						
16335	FAD	02/27/2012	62,000.00	06/29/2012	123	61,978.82	62,000.00	0.00	21.18	21.18	0.101
Freddie Mac Discount Note				06/29/2012	123						
16336	FAD	02/27/2012	114,000.00	06/29/2012	123	113,961.05	114,000.00	0.00	38.95	38.95	0.101
Freddie Mac Discount Note				06/29/2012	123						
16337	FAD	02/27/2012	438,000.00	06/29/2012	123	437,850.35	438,000.00	0.00	149.65	149.65	0.101
Freddie Mac Discount Note				06/29/2012	123						
<b>Total Realized Gains/Losses</b>						<b>26,916,049.24</b>	<b>26,922,000.00</b>	<b>0.00</b>	<b>5,950.76</b>	<b>5,950.76</b>	<b>0.066</b>



**MSR Public Power Agency Trust  
Investment Maturity Report  
Sorted by Maturity Date  
Amounts due during June 1, 2012 - June 30, 2012**

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

CUSIP	Investment #	Fund	Inv. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Maturity Interest	Maturity Proceeds	Net Income
313384YJ2	16372	5590	FAD	FHLB	221,000.00	06/20/2012	03/23/2012		220,961.75	38.25	221,000.00	38.25
313384YJ2	16373	7261	FAD	FHLB	46,000.00	06/20/2012	03/23/2012		45,992.04	7.96	46,000.00	7.96
313384YJ2	16374	7262	FAD	FHLB	360,000.00	06/20/2012	03/23/2012		359,937.70	62.30	360,000.00	62.30
313384YJ2	16375	69001	FAD	FHLB	138,000.00	06/20/2012	03/23/2012		137,976.12	23.88	138,000.00	23.88
313384YJ2	16376	69002	FAD	FHLB	1,130,000.00	06/20/2012	03/23/2012		1,129,804.45	195.55	1,130,000.00	195.55
313384YJ2	16377	30001	FAD	FHLB	485,000.00	06/20/2012	03/23/2012		484,916.07	83.93	485,000.00	83.93
313384YJ2	16378	30002	FAD	FHLB	62,000.00	06/20/2012	03/23/2012		61,989.27	10.73	62,000.00	10.73
313384YJ2	16379	5001	FAD	FHLB	114,000.00	06/20/2012	03/23/2012		113,980.27	19.73	114,000.00	19.73
313384YJ2	16380	5002	FAD	FHLB	439,000.00	06/20/2012	03/23/2012		438,924.03	75.97	439,000.00	75.97
313384YT0	16413	5590	FAD	FHLB	221,000.00	06/29/2012	04/25/2012		220,972.07	27.93	221,000.00	27.93
313384YT0	16414	7261	FAD	FHLB	45,000.00	06/29/2012	04/25/2012		44,994.31	5.69	45,000.00	5.69
313384YT0	16415	7262	FAD	FHLB	360,000.00	06/29/2012	04/25/2012		359,954.50	45.50	360,000.00	45.50
313384YT0	16416	69001	FAD	FHLB	138,000.00	06/29/2012	04/25/2012		137,982.56	17.44	138,000.00	17.44
313384YT0	16417	69002	FAD	FHLB	1,130,000.00	06/29/2012	04/25/2012		1,129,857.18	142.82	1,130,000.00	142.82
313384YT0	16418	30001	FAD	FHLB	486,000.00	06/29/2012	04/25/2012		485,938.58	61.42	486,000.00	61.42
313384YT0	16419	30002	FAD	FHLB	63,000.00	06/29/2012	04/25/2012		62,992.04	7.96	63,000.00	7.96
313384YT0	16420	5001	FAD	FHLB	114,000.00	06/29/2012	04/25/2012		113,985.59	14.41	114,000.00	14.41
313384YT0	16421	5002	FAD	FHLB	438,000.00	06/29/2012	04/25/2012		437,944.64	55.36	438,000.00	55.36
313588YT6	16449	5590	FAD	FNMA	221,000.00	06/29/2012	05/25/2012		220,989.26	10.74	221,000.00	10.74
313588YT6	16450	7261	FAD	FNMA	46,000.00	06/29/2012	05/25/2012		45,997.76	2.24	46,000.00	2.24
313588YT6	16451	7262	FAD	FNMA	360,000.00	06/29/2012	05/25/2012		359,982.50	17.50	360,000.00	17.50
313588YT6	16452	69001	FAD	FNMA	138,000.00	06/29/2012	05/25/2012		137,993.29	6.71	138,000.00	6.71
313588YT6	16453	69002	FAD	FNMA	1,130,000.00	06/29/2012	05/25/2012		1,129,945.07	54.93	1,130,000.00	54.93
313588YT6	16454	30001	FAD	FNMA	485,000.00	06/29/2012	05/25/2012		484,976.42	23.58	485,000.00	23.58
313588YT6	16455	30002	FAD	FNMA	62,000.00	06/29/2012	05/25/2012		61,996.99	3.01	62,000.00	3.01
313588YT6	16456	5001	FAD	FNMA	114,000.00	06/29/2012	05/25/2012		113,994.46	5.54	114,000.00	5.54
313588YT6	16457	5002	FAD	FNMA	438,000.00	06/29/2012	05/25/2012		437,978.71	21.29	438,000.00	21.29
313396YT4	16283	5590	FAD	FRE	221,000.00	06/29/2012	01/25/2012		220,942.54	57.46	221,000.00	57.46
313396YT4	16284	7261	FAD	FRE	45,000.00	06/29/2012	01/25/2012		44,988.30	11.70	45,000.00	11.70
313396YT4	16285	7262	FAD	FRE	2,521,000.00	06/29/2012	01/25/2012		2,520,344.54	655.46	2,521,000.00	655.46
313396YT4	16286	69001	FAD	FRE	137,000.00	06/29/2012	01/25/2012		136,964.38	35.62	137,000.00	35.62
313396YT4	16287	69002	FAD	FRE	7,918,000.00	06/29/2012	01/25/2012		7,915,941.32	2,058.68	7,918,000.00	2,058.68
313396YT4	16288	30001	FAD	FRE	485,000.00	06/29/2012	01/25/2012		484,873.90	126.10	485,000.00	126.10
313396YT4	16289	30002	FAD	FRE	434,000.00	06/29/2012	01/25/2012		433,887.16	112.84	434,000.00	112.84
313396YT4	16290	5001	FAD	FRE	114,000.00	06/29/2012	01/25/2012		113,970.36	29.64	114,000.00	29.64
313396YT4	16291	5002	FAD	FRE	3,069,000.00	06/29/2012	01/25/2012		3,068,202.06	797.94	3,069,000.00	797.94
313396YT4	16329	5590	FAD	FRE	221,000.00	06/29/2012	02/27/2012		220,924.48	75.52	221,000.00	75.52
313396YT4	16330	7261	FAD	FRE	45,000.00	06/29/2012	02/27/2012		44,984.63	15.37	45,000.00	15.37

Portfolio MSRT  
CP



**MSR Public Power Agency Trust**  
**Investment Maturity Report**  
**Amounts due during June 1, 2012 - June 30, 2012**

CUSIP	Investment #	Fund	Inv. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Maturity Interest	Maturity Proceeds	Net Income
313396YT4	16331	7262	FAD	FRE	360,000.00	06/29/2012	02/27/2012		359,877.00	123.00	360,000.00	123.00
313396YT4	16332	69001	FAD	FRE	138,000.00	06/29/2012	02/27/2012		137,952.85	47.15	138,000.00	47.15
313396YT4	16333	69002	FAD	FRE	1,130,000.00	06/29/2012	02/27/2012		1,129,613.92	386.08	1,130,000.00	386.08
313396YT4	16334	30001	FAD	FRE	486,000.00	06/29/2012	02/27/2012		485,833.95	166.05	486,000.00	166.05
313396YT4	16335	30002	FAD	FRE	62,000.00	06/29/2012	02/27/2012		61,978.82	21.18	62,000.00	21.18
313396YT4	16336	5001	FAD	FRE	114,000.00	06/29/2012	02/27/2012		113,961.05	38.95	114,000.00	38.95
313396YT4	16337	5002	FAD	FRE	438,000.00	06/29/2012	02/27/2012		437,850.35	149.65	438,000.00	149.65
<b>Total Maturities</b>					<b>26,922,000.00</b>				<b>26,916,049.24</b>	<b>5,950.76</b>	<b>26,922,000.00</b>	<b>5,950.76</b>



PROJECTS AND ACTIVITIES  
STATUS REPORTS

Presented To Commission

July 18, 2012

**M-S-R PUBLIC POWER AGENCY  
SAN JUAN PROJECT  
STATUS REPORT  
JULY 2012**

**SAN JUAN UNIT 4 OPERATIONS**

May 2012	
Net Generation (MWh)	283,678.3
Net Capacity Factor (%)	75.2

San Juan Generation Station (San Juan) Unit 4 has not had a forced outage since November 2011. The net capacity factor is low, as expected, as owners are conserving coal pending the sustained operation of the Longwall Miner (LM) at the mine.

**SAN JUAN MINE**

The San Juan Coal Company (SJCC) started up operation of the LM on May 4, 2012. On June 19, 2012 there was a two-day stoppage ordered by the Mining Safety and Health Administration (MSHA) as there are some outstanding issues regarding the ventilation plan. LM production has recommenced.

**RETIREMENT**

The Public Service Company of New Mexico (PNM) Vice President of Generation, Pat Themig, has announced his retirement effective July 27, 2012. He has chaired the San Juan Coordinating Committee and the meeting scheduled for July 13, 2012 has been cancelled.

**SAN JUAN LABOR NEGOTIATIONS**

The labor agreement for San Juan expired on April 30, 2012. PNM continues to negotiate with the local chapter of the International Brotherhood of Electric Workers (IBEW). Although the IBEW Membership voted down a San Juan offered contract, there has been no work stoppage and none is imminent.

**FEDERAL AND STATE IMPLEMENTATION PLANS**

On July 2, 2012, the United States Environmental Protection Agency (EPA) notified the Governor of New Mexico it had issued a 90-day stay in the Federal Implementation Plan (FIP) and encouraged work to develop an alternative State Implementation Plan (SIP).

**M-S-R PUBLIC POWER AGENCY  
SOUTHWEST TRANSMISSION PROJECTS  
STATUS REPORT  
JULY 2012**

**TRANSMISSION PROJECT RECONFIGURATION**

Startrans IO continues to pursue its request to have the Mead-Adelanto Transmission Projects converted from AC to DC configuration. Starwood IO anticipates an increase to a total of about 3500 MW. Project Legal and Negotiating (L&N) Committee has been reconstituted and two conference calls have been conducted. The Coordination Committee has also met by conference call and has given direction to the L&N Committee and the Engineering and Operating (E&O) Committee. An ad hoc Technical Committee is also being formed to review the technical aspects of the Startrans IO proposal. Although Startrans IO has deferred its interest in a similar proposal for the Mead-Phoenix Transmission Project, all Mead-Phoenix participants have been included in the Mead-Adelanto proposal as some work would be done at Marketplace Substation which involves both projects. As Startrans IO has offered to accept any unsubscribed participation in the project and has limited generation that it could transmit over the added capability, the Startrans IO intent is to add the transmission capability to the system of the California Independent System Operator (CAISO.)

**EFFICIENT DISPATCH TOOLKIT (EDT)**

The Efficient Dispatch Toolkit (EDT) continues to be developed on a fractured basis since the Western Electricity Coordinating Council (WECC) has left the development of an Energy Imbalance Market (EIM) to outside parties and rejected an aggressive budget request from staff to accelerate the development of an Enhanced Curtailment Calculator (ECC). The development of an EIM is being pursued by the Western Governors' Association (WGA) through its technical arm, the Western Interstate Energy Board (WIEB) that is on a fact-finding mission and intends to issue a white paper on the pros and cons of an EIM in the Western United States. The ECC development is being championed by the WECC ECC Task Force that is struggling to quantify the benefits of a stand-alone ECC.

**M-S-R PUBLIC POWER AGENCY  
PACIFIC NORTHWEST PROJECT  
STATUS REPORT  
JULY 2012**

**BIG HORN I OPERATION**

	<u>MWH</u>	<u>% of 5-Year Average</u>
June 2012	58,272	103.3
2012 (through June)	316,423	102.3
Project Life (since October 2006)	3,088,999	92.9

**BIG HORN II OPERATION**

	<u>MWH</u>	<u>% of 5-Year Average</u>
June 2012	10,801	99.1
2012 (through June)	76,099	105.3
Project Life (since November 2010)	217,990	94.7

Curtailments of Big Horn I energy deliveries began in earnest in March (61 MWh during 15 hours spread over 7 different days), April (448 MWh during 77 hours spread over 18 different days), May (349 MWh during 106 hours spread over 20 different days), and June (282 MWh during 81 hours spread over 15 different days.) All situations have been identified as "System Emergencies" which is clearly unacceptable. (IBR) has indicated it is evaluating its procedures to see if it can modify the way it schedules to avoid the "System Emergencies" to the extent they can be predicted.

**FORCE MAJEURE EVENT**

IBR has notified M-S-R PPA by notice dated June 27, 2012 that it has encountered a situation that has led to a forced reduction of certain wind turbines, both at Big Horn and Big Horn II Projects. Although an exact term for the Force Majeure Event was not specified in the notice, through an informal channel it has been discovered that IBR expects the duration to be approximately three weeks.

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

**Date:** July 11, 2012  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** July 2012 General Manager's Report

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### **GENERAL ISSUES:**

#### **Annual Strategic Plan Update**

Each year the Agency updates the M-S-R PPA Strategic Plan to provide guidance for the preparation of the M-S-R PPA Budget and for the operations of the Agency. The Technical Committee will review the proposed updates at its September 12, 2012, meeting and the M-S-R PPA Commission will consider adopting the 2013 updates at its September 26, 2012, meeting. Technical Committee members are asked to provide their draft comments by August 31, 2012. The General Manager will visit senior management of the members in August to receive additional input.

### **SAN JUAN PROJECT:**

#### **Annual Coal Consumption Forecast**

Each year the San Juan Participants are required to provide the Operating Agent, PNM with a 10-year forecast of future coal consumption. The forecast is to be made on a monthly basis for the next year (2013) and annually for subsequent years (2014 – 2022). Forecasts should be provided to the M-S-R Coordinator by July 31, 2012.

#### **Legislative and Regulatory Activities**

Further visits to legislative members, legislative and committee staff, and federal regulators were made in company with MID and Redding representatives to discuss the impacts of proposed regional haze requirements on operations of the San Juan Project and the reliability impacts of San Juan Project temporary or permanent outages. M-S-R PPA Commission President Allen Short provided testimony before the House Energy and Commerce Committee Subcommittee on Power and Energy regarding the potential impacts of the EPA rule and advocated for a negotiated resolution between the Federal and State Implementation Plans. Subsequently, EPA issued a 90-day stay intended to provide an opportunity for such discussions.

## **SOUTHWEST TRANSMISSION PROJECT:**

### **Strategic Review**

The Technical Committee has held several meetings to begin reviews of a draft White Paper regarding a Southwest Transmission Project Strategic Review as required in the 2012 M-S-R PPA Strategic Plan. Further working sessions are being scheduled with the goal of providing a comprehensive report to the M-S-R PPA Commission later this fall.

## **RENEWABLE ENERGY PROJECTS:**

### **Overgeneration Management Protocol Curtailments**

On April 30, 2012, the Bonneville Power Administration commenced curtailments under its Overgeneration Management Protocol notwithstanding the fact that the protocol has not yet received FERC approval. Although the primary curtailments occurred in May and have essentially concluded for the season, legal review continues.

### **Proposals For New Renewable Energy Projects**

M-S-R has been approached by several proponents of new renewable energy prospects for potential power purchases commencing in the later part of the decade. Confidential data on potential costs, terms and conditions can be made available to the members if there is any interest in pursuing these projects by individual members or collectively by the Agency. No action will be taken on these projects unless requested by one or more members.

**MEMORANDUM**

**DATE:** July 12, 2012  
**TO:** Commission of the M-S-R Public Power Agency  
**FROM:** Steven C. Gross, General Counsel  
**RE:** Biennial Review of Conflict-of-Interest Code

The California Political Reform Act requires multi-county agencies, such as the M-S-R Public Power Agency, to review and amend if necessary its conflict-of-interest code on a biennial basis. It is time for the Agency to conduct its biennial review. After it conducts its review the Agency must complete the 2012 Multi-Agency Biennial Notice (copy attached) and return it to the Fair Political Practices Commission no later than October 12, 2012.

The conflict-interest-code must be amended if the Agency has (1) added new positions that must be designated as being required to disclose their economic interests; (2) deleted positions that no longer make or participate in making governmental decisions; (3) revised disclosure categories; (4) revised titles of existing positions; (5) modified any provision of the code, provided no disclosure or disqualification obligations are disturbed; or (6) deleted titles of positions that have been abolished.

The Agency's conflict-of-interest code I attached for review. The Agency has not taken any of the actions set forth above since it last revised its conflict-of-interest code.

**Recommendation:** I recommend that the Commission determine that no amendments are necessary and direct the Agency's General Manager to complete the 2012 Multi-Agency Biennial Notice and return it to the Fair Political Practices Commission.



## 2012 Multi-County Agency Biennial Notice

Name of Agency: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Office Phone No: \_\_\_\_\_

E-mail: \_\_\_\_\_ Fax No: \_\_\_\_\_

**Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. The biennial review examines current programs to ensure that the agency's code requires disclosure by agency officials who make or participate in making governmental decisions.**

This agency has reviewed its conflict-of-interest code and has determined that (*check one box*):

**An amendment is required.** (*Check all that apply.*)

### Substantive

- Include new positions (including consultants) that must be designated
- Delete positions that no longer make or participate in making governmental decisions
- Revise disclosure categories
- Other (*describe*) \_\_\_\_\_

### Non-Substantive

- Revise the titles of existing positions
- Modification of any provision of a code, provided no disclosure or disqualification obligations are disturbed
- Delete titles of positions that have been abolished
- Other (*describe*) \_\_\_\_\_

**Code is currently under review by the code-reviewing body.**

**No amendments necessary.**

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### Verification

*This multi-county agency's code accurately designates all positions that make or participate in the making of governmental decisions; the disclosure assigned to those positions accurately requires the disclosure of all investments, business positions, interests in real property, and sources of income that may foreseeably be affected materially by the decisions made by those holding designated positions. The code includes all other provisions required by Government Code Section 87302.*

\_\_\_\_\_  
*Signature of Chief Executive Officer*

\_\_\_\_\_  
*Date*

All multi-county agencies must complete and return this notice, including agencies whose codes are currently under review. Please return this notice no later than **October 1, 2012**, to:

Fair Political Practices Commission  
428 J Street, Suite 620  
Sacramento, CA 95814  
(866) ASK-FPPC  
Fax (916) 322-3711

FAIR POLITICAL PRACTICES COMMISSION

## 2012 Conflict-of-Interest Code Biennial Notice for Multi-County Agencies

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The Political Reform Act requires every local government agency to review its conflict-of-interest code biennially.

**October 1, 2012:** Your agency must review its conflict-of-interest code and submit the attached notice to the FPPC indicating whether or not an amendment is necessary. Return this notice to the FPPC regardless of how recently your agency's code has been approved, or if the code is currently under review.

If amendments are necessary, the revised code must be forwarded to the FPPC for approval within **90 days** from the date the biennial notice is filed. An agency's amended code is not effective until it has been approved by the FPPC.

### FPPC ADOPTS NEW FORMS TO SIMPLIFY DISCLOSURE

**Consultants:** The Form 805 may be used to identify consultants that will make or participate in making governmental decisions on behalf of the agency. The Form 805 is also used to identify the consultant's disclosure requirements which should conform to the range of the consultant's duties.

**Example:** An agency hired a firm to prepare an environmental impact report ("EIR") on airport expansion. The individual at the firm who will prepare the EIR should be assigned a disclosure requirement that reflects the contract's scope of authority. An example might include real property, investments and business positions in business entities, and income from only those sources engaging in air traffic or aviation goods or services. The agency can also assign an existing disclosure category, if applicable.

**New Positions:** FPPC Regulation 18734 requires an individual hired for a position not yet covered under your agency's conflict-of-interest code to file Form 700 if the individual serves in a position that makes or participates in making governmental decisions. These individuals must file under the broadest disclosure category until the code is amended to include the new position unless your agency has provided, in writing, a limited disclosure requirement.

**Example:** An agency hires a new IT Specialist. This is a brand new position, thus not listed in the agency's conflict-of-interest code. Because this individual will make decisions on purchasing software, the position must be added to the code. The agency completes the Form 804 to provide the individual with limited disclosure relating to IT interests.

### Attend a Seminar!

Current seminar schedules are available at [www.fppc.ca.gov](http://www.fppc.ca.gov) under the "Workshops, Seminars & YouTube" link.

**To register for a seminar, e-mail [seminars@fppc.ca.gov](mailto:seminars@fppc.ca.gov). Seminars are subject to change.**

**M-S-R PUBLIC POWER AGENCY**  
**CONFLICT-OF-INTEREST CODE**

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict-of-interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict-of-interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices, designating positions and establishing disclosure categories, shall constitute the conflict-of-interest code of the **M-S-R Public Power Agency (M-S-R)**.

Individuals holding designated positions shall file their statements of economic interests with **M-S-R**. Upon receipt of the statements, **M-S-R** shall make and retain copies and forward the originals to the **Modesto Irrigation District**, which will make the statements available for public inspection and reproduction on behalf of M-S-R. (Gov. Code Sec. 81008.) All original statements will be retained by the **Modesto Irrigation District**.

**APPENDIX A  
DESIGNATED POSITIONS**

<u>DESIGNATED POSITIONS</u>	<u>ASSIGNED DISCLOSURE CATEGORY</u>
General Counsel	A-F
Consultants	*

The following positions are not covered by the code because the positions manage public investments. Individuals holding such positions must file under Government Code Section 87200 are listed for informational purposes only.

- Commissioners
- Alternate Commissioners
- General Manager
- Controller
- Treasurer

An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code Section 87200.

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\* Consultants shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitation:

With respect to consultants, the General Manager may determine in writing that a particular consultant, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus, is not required to comply with the disclosure requirements described in this section. Such determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure requirements. The General Manager’s determination is a public record and shall be retained for public inspection in the same manner and location of this conflict-of-interest code. (Gov. Code Sec. 81008.)

## **APPENDIX B DISCLOSURE CATEGORIES**

Category A. Interests in real property located either in whole or in part (1) in Northern California, which for purposes of this conflict-of-interest code shall include all of California except the counties of Ventura, Los Angeles, San Bernardino, Orange, Riverside, San Diego and Imperial, or (2) within two miles of any land owned or used by M-S-R in California, including any leasehold, beneficial or ownership interest or option to acquire such interest in real property.

Category B. Investments in or income, including gifts, loans and travel payments, from and business positions in business entities of the type which are or have been within the previous two-year period engaged in the performance of contracts for M-S-R.

Category C. Investments in or income, including gifts, loans and travel payments, from persons and business positions in or business entities of the type engaged in the acquisition or disposal of real property within the jurisdiction of M-S-R.

Category D. Investments in or income, including gifts, loans and travel payments, from and business positions in business entities which provide services to or manufacture or sell supplies, machinery, or equipment of the type utilized by M-S-R.

Category E. Investments in or income, including gifts, loans and travel payments, from and business positions in entities which are private electric utility companies doing business within the jurisdiction of M-S-R.

Category F. Investments in or income, including gifts, loans and travel payments, from and business positions in business entities which are energy consultants or research firms, engineering firms, or building contractors or subcontractors which review the feasibility of design, build, manufacture, sell, distribute or service equipment of the type that is either presently utilized by electric power suppliers or that is used by the federal, state, or local government or by private industry in research designed to refine or develop new methods of electrical power generation.

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

**Date:** July 11, 2012

**From:** Martin R. Hopper, General Manager

**To:** M-S-R PPA Commission

**Subject:** Discussion and Possible Action Regarding Resolution No. 2012-03 Approving Signatories Authorized To Invest M S R Public Power Agency Monies

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From time to time the Commission of the M-S-R Public Power Agency (M-S-R) has authorized certain Agency officers or their successors in office to order the deposit or withdrawal of monies in the Local Agency Investment Fund. Each year M-S-R also adopts Investment Policy Guidelines pursuant to the requirements of the California Government Code which authorize the use of specified investment vehicles. The proposed Resolution No. 2012-03 Approving Signatories Authorized To Invest M S R Public Power Agency Monies updates the designation of Agency officers authorized to make such investments and clarifies that said authority extends to all investments permitted by the Government Code and the Agency's latest adopted Investment Policy Guidelines.

I recommend the M-S-R PPA Commission adopt Resolution No. 2012-03 Approving Signatories Authorized To Invest M S R Public Power Agency Monies.

**RESOLUTION NO. 2012-03**  
**APPROVING SIGNATORIES**  
**AUTHORIZED TO INVEST M-S-R PUBLIC POWER AGENCY**  
**MONIES IN THE LOCAL AGENCY INVESTMENT FUND**  
**AND OTHER PERMITTED INVESTMENTS**

WHEREAS, pursuant to Chapter 730 of the Statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, on May 18, 1988, and July 19, 2006, the Commission of the M-S-R Public Power Agency (M-S-R), by its Resolution Nos. 88-2 and 2006-04, found that the deposit and withdrawal in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purposes of investment as stated therein is in the best interest of M-S-R and authorized certain Agency officers or their successors in office to order the deposit or withdrawal of monies in the Local Agency Investment Fund; and

WHEREAS, each year M-S-R adopts Investment Policy Guidelines pursuant to the requirements of Title 5, Division 2, Part 1, Chapter 4 of the California Government Code, commencing with Section 53600; and

WHEREAS, Paragraph I of the 2012 Investment Policy Guidelines authorizes the use of all investment vehicles allowed by Sections 53601 and 53635 of the California Government Code, including but not limited to Government Agency Issues, Bankers Acceptances, Commercial Paper, Negotiable Certificates of Deposit, Repurchase Agreements, Reverse Repurchase Agreements, or Securities Lending Agreements, Medium-Term Corporate Notes or Bonds, Shares of Beneficial Interest, Mortgage Pass-Through Securities, Financial Futures and Financial Option Contracts, Time Certificates of Deposit, and Local Agency Investment Fund; and

WHEREAS, from time to time it is necessary to replace signatories of appropriate Agency officers who shall be authorized and directed in the name of and on the behalf of M-S-R to make investments pursuant to its annually adopted Investment Policy Guidelines.

BE IT RESOLVED, that the following Agency officers shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and all investments allowed by Sections 53601 and 53635 of the California Government Code and authorized in the most recent Investment Policy Guidelines adopted by M-S-R:

- Treasurer of Modesto Irrigation District
- Treasurer of M-S-R Public Power Agency
- Assistant Treasurer of Modesto Irrigation District
- Controller of Modesto Irrigation District
- Controller of M-S-R Public Power Agency

PASSED AND ADOPTED this 18th day of July 2012 upon the following vote of the Members:

Modesto Irrigation District

City of Santa Clara

City of Redding

ATTEST:

PRESIDENT

SECRETARY