

# M-S-R Public Power Agency

## SPECIAL MEETING OF THE COMMISSION

Wednesday, July 28, 2010, 12:00 noon  
Navigant Consulting, Inc.  
3100 Zinfandel Drive, Suite 600, Sierra Room  
Sacramento, California

### AGENDA

#### **Distribution:**

##### Commissioners &

##### Alternate Commissioners

##### Others

##### Modesto:

Allen Short  
Roger Van Hoy (Alt)  
Greg Salyer (Alt)

Lisa Gast  
Steve Gross  
Lou Hampel  
Alan Hockenson<sup>1</sup>  
Martin Hopper<sup>1</sup>

##### Santa Clara:

Joe Kornder  
John Roukema<sup>1</sup> (Alt)

Jan Pepper  
Pete Scanlon

##### Redding:

Paul Hauser  
Tim Nichols<sup>1</sup> (Alt)

Cindy Worley  
file/er/msr

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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 19, 2010* (attached)
4. Report on summary of invoices paid totaling \$34,251,942.22 (attached)
5. Finance (Lou Hampel)
  - a. June 2010 Monthly Project Funds Status (provided at meeting)
  - b. June 2010 Unaudited Preliminary Financial Statements (provided at meeting)
  - c. June 2010 Treasurer's Report (attached)
6. Projects and Activities (Alan Hockenson)
  - a. San Juan Project Status Report (attached)
  - b. Southwest Transmission Projects Status Report (attached)
  - c. Pacific Northwest Projects Status Report (attached)

7. M-S-R PPA General Manager's Report (Martin Hopper, attached)
8. ***Discussion and possible action regarding Annual Fuels Presentation*** (provided at meeting, Martin Hopper)
9. ***Discussion and possible action regarding Privacy Policy and Terms of Use Agreement for M-S-R PPA Web Site*** (attached, Martin Hopper)
10. ***Review and consider the Agency's Conflict of Interest Code. Discussion and possible action.*** (attached, Steven Gross)
11. Closed Session
  - a. Closed Session Pursuant to Government Code Section 54956.9(a) - Conference with Legal Counsel – Existing Litigation, One case
  - b. Closed Session Pursuant to Government Code Section 54956.9(b) - Conference with Legal Counsel - Anticipated Litigation, Significant Exposure to Litigation, Three 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
12. Announcement from Closed Session
13. Public Comment
14. ***Confirm date and time of next meeting***
15. 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 19, 2010**

The Commission of the M-S-R Public Power Agency (M-S-R PPA) met on May 19, 2010, at the offices of Navigant Consulting, Inc. (NCI), 3100 Zinfandel Drive, Sacramento, CA. Present from Modesto Irrigation District (MID) were Allen Short, Lou Hampel, and Greg Salyer; present from Santa Clara were Joe Kornder, and John Roukema; present from Redding was Tim Nichols. Present from Navigant Consulting Inc. (NCI) was Alan Hockenson. Present from Baker Tilly Virchow Krause, LLP was Aaron Worthman. Also present were General Counsel Steven C. Gross; and General Manager Martin R. Hopper.

Chair Short called the meeting to order at 12:12 P.M. A quorum was attained with the voting representatives being Mr. Short, Mr. Kornder, and Mr. Nichols. Chair Short offered his compliments and congratulations to the Agency on the 30<sup>th</sup> Anniversary Celebration held last night and thanked all involved in making the evening a great success.

The Commission then reviewed the minutes of its March 17, 2010, meeting. It was moved by Alternate Commissioner Nichols and seconded by Commissioner Kornder to approve the minutes. The motion carried unanimously.

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

Mr. Worthman 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, 2009, and 2008. He 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. He presented the highlights of the financial statements to the Commission. Note 2, Accounting Policies includes a discussion of the implementation of GASB-53 and FASB-71 this year. The accounting estimates applied to the Asset Retirement Obligations

(ARO) pertaining to the San Juan Project are based on 2003 studies and should be updated for the 2010 reports. He did note that by definition, there was a weakness in Internal Controls because of the role played by the Auditor in the preparation of Financial Statements. He expressed his appreciation for the assistance provided by staff and particularly acknowledged Cindy Worley, MID's Interim Controller. It was moved by Commissioner Kornder and seconded by Alternate Commissioner Nichols to accept the Financial Statements. The motion carried unanimously.

Mr. Hampel, M-S-R PPA Treasurer, then presented the March 2010 Project Funds Status and Unaudited Financial Statements and the April 2010 Treasurer's Report to the Commission. He noted there is \$22.3 million on-hand in the Operating Funds. If the Big Horn II Project comes on-line early in November 2010 rather than January 2011, a budget augmentation or modification may be required and would be presented to the Commission in the fall. He also reported that the AGF Medium Term notes are steadily returning to par, currently at 84%, and mature in December 2012, and he recommends continuing to hold this investment.

Mr. Hockenson then addressed the Commission regarding the San Juan Project, Southwest Transmission Project and Big Horn Project Status Reports. Mr. Hockenson briefed the Commission regarding the recent resignation of the San Juan Plant Manager. The San Juan Coordination Committee will address this matter tomorrow. Concerns have been expressed among the San Juan owners as to whether Public Service Company of New Mexico (PNM) senior management has been giving plant management staff sufficient leeway to implement changes and improve performance. With respect to the Southwest Transmission Project, he reported that the recent removal of the Perkins Phase Shifter may allow the entire station to be retired and attendant costs eliminated. Mr. Hockenson reported that recent under-performance of the Big Horn I Project has both been part of a regional phenomenon and has turned around with outstanding production in April and May.

Mr. Hopper then briefly reviewed the revised May 2010 General Manager's Report for the Commission and addressed questions thereon. In addition he noted that the Agency received 11

responses to the recent Request For Proposals for Investment Banking Services and that the Quit Claim with respect to the former Abril Leases has been filed with Sonoma County.

Mr. Hopper then addressed the Commission regarding Annual Risk Management Report prepared pursuant to M-S-R's Risk Management Policies. He noted that all reported activities are in conformance with policy requirements. It was moved by Alternate Commissioner Nichols and seconded by Commissioner Kornder to note and file the 2009 Annual Risk Management Report. The motion carried unanimously.

Mr. Hampel then informed the Commission that Standard & Poors had recently reaffirmed MID's A+/Stable Rating and that Moody's rated MID A2/Negative Outlook. He noted that Moody's A2 is equivalent to a Fitch or Standard & Poors A. Mr. Nichols reported that Redding has recently been reviewed by Fitch but has not yet received any report.

The Commission then retired into Closed Session pursuant to Government Code Section 54956.9 (a) - Existing Litigation – SCE Rate Case: ER09 - 1534; Government Code Section 54956.9 (b) - Anticipated Litigation, Significant Exposure to Litigation - Four Cases; and Government Code Section 54956.9 (c) - Anticipated Litigation, Decision on Whether to Initiate Litigation - One Case at 12:52 P.M. Upon the conclusion of the Closed Session at 1:25 P.M., the Chair reported for the record, pursuant to the Government Code, that the Commission had taken no actions which require public disclosure.

The Chair then called for Public Comment. There being none, the Chair announced that the next regular meeting of the Commission will be Wednesday, July 21, 2010, at 12:00 Noon, at NCI's offices in Sacramento. The meeting was then adjourned by the Chair at 1:26 P.M.

Martin R. Hopper  
Assistant Secretary

**M-S-R Public Power Agency**  
**Invoices Paid Summary: May - July 2010**

<b>Payee</b>	<b>Description</b>	<b>Period Covered</b>	<b>Amount</b>
AF Legal & Consulting Services	Legal Services	Mar-May2010	28,480.00
AF Legal & Consulting Services	Legal Services	Jun 2010	12,740.00
Baker Tilly Virchow Krause	Audit of 2009 Financials	thru 4/30/10	8,517.00
Baker Tilly Virchow Krause	Audit of 2009 Financials	thru 5/26/10	24,701.00
Big Horn Wind Project	Firm Energy from Big Horn facility	Apr 2010	3,579,197.62
Big Horn Wind Project	Firm Energy from Big Horn facility	May 2010	2,911,758.57
Big Horn Wind Project	Firm Energy from Big Horn facility	Jun 2010	2,726,620.07
Dept of Water & Power	Mead-Adelanto Operations Costs	Apr 2010	11,765.91
Dept of Water & Power	Mead-Adelanto Operations Costs	May 2010	18,001.84
Dept of Water & Power	Transmission Service Adelanto-Victorville	Apr 2010	61,595.00
Dept of Water & Power	Transmission Service Adelanto-Victorville	May 2010	61,595.00
Dept of Water & Power	Transmission Service Adelanto-Victorville	Jun 2010	61,595.00
Dexia Credit	Commitment Fee for 2008M and 2008N	Apr - Jun 2010	112,798.19
Duncan Weinberg et al	Legal Services	Apr 2010	97,919.60
Duncan Weinberg et al	Legal Services	May 2010	92,445.07
E Source Companies	Greenhouse gas inventory service	May 2010	885.00
FedEx	Shipping Charges	5/21/10	31.57
Government Affairs Consulting	Services rendered	May 2010	2,000.00
Government Affairs Consulting	Services rendered	Jun 2010	2,000.00
Iberdrola Renewables	Big Horn Shaping Fee	Apr 2010	454,909.00
Iberdrola Renewables	Big Horn Shaping Fee	May 2010	557,128.00
Iberdrola Renewables	Big Horn Shaping Fee	Jun 2010	793,780.00
Martin Hopper Energy Consulting	General Manager services	May 2010	22,479.75
Martin Hopper Energy Consulting	General Manager services	Jun 2010	24,092.10
McCarthy & Berlin	Legal Services	Apr 2010	14,193.40
McCarthy & Berlin	Legal Services	May 2010	9,532.75
Modesto Irrigation District	Accounting and coordination services	Apr 2010	58,027.70
Modesto Irrigation District	Accounting and coordination services	May 2010	56,246.19
Modesto Irrigation District	Accounting and coordination services	Jun 2010	53,526.97
Montague DeRose & Assoc.	Financial advisory services	Apr 2010	7,103.92
Montague DeRose & Assoc.	Financial advisory services	May 2010	1,818.75
Navigant	Special assistance	Apr 2010	61,213.17
Navigant	Special assistance	May 2010	31,754.54
Navigant	Special assistance	Jun 2010	41,616.96
Orrick Herrington Sutcliffe	Legal Services	thru 5/11/10	3,816.47
PNM	Estimated Coal	Apr 2010	2,404,436.07
PNM	Estimated Coal	May 2010	2,552,314.80

**M-S-R Public Power Agency**  
**Invoices Paid Summary: May - July 2010**

Payee	Description	Period Covered	Amount
PNM	Estimated Coal	Jun 2010	2,437,748.50
PNM	Monthly Net Due for San Juan Construction	Apr 2010	2,126,961.72
PNM	Monthly Net Due for San Juan Construction	May 2010	403,277.63
PNM	Weekly Advance	051210	695,139.74
PNM	Weekly Advance	051910	370,220.10
PNM	Weekly Advance	052410	93,167.56
PNM	Weekly Advance	060210	187,000.00
PNM	Weekly Advance	060910	110,000.00
PNM	Weekly Advance	061610	480,000.00
PNM	Weekly Advance	062810	234,000.00
PNM	Weekly Advance	070510	206,000.00
PNM	Weekly Advance	071210	8,000.00
PNM	Weekly Advance	071910	271,000.00
Porter Simon	Legal Services	May 2010	2,058.70
Porter Simon	Legal Services	Jun 2010	1,039.00
Salt River Project	Mead-Phoenix Capital Improvements	Apr 2010	22,290.60
Salt River Project	Mead-Phoenix O&M Costs	Apr 10 / Jun 10	13,663.55
Salt River Project	Mead-Phoenix O&M Costs	May-Jun 10/Jul-Aug 10	38,275.66
Southern California Edison	Firm Transmission between Victorville-Lugo and Midway	May 2010	97,500.00
Southern California Edison	Firm Transmission between Victorville-Lugo and Midway	Jun 2010	97,500.00
Southern California Edison	Firm Transmission between Victorville-Lugo and Midway	Jul 2010	97,500.00
Standard & Poor's	Analytical Services for 2008M and 2008N	7/2010-6/2011	5,000.00
US Bank	Administrative & Transaction Fees, Series 2004J	5/2010-4/2011	4,850.00
US Bank	Debt Service for Series 1997D, F, I, J, K, 2008L	May 2010	2,703,445.29
US Bank	Debt Service for Series 1997D, F, I, J, K, 2008L	Jun 2010	2,703,445.29
US Bank	Debt Service for Series 1997D, F, I, J, K, 2008L	Jul 2010	3,210,314.98
US Bank	Debt Service Payment for 2008 M & N	Jun 2010	18,071.55
US Bank	Debt Service Payment for 2008 M & N	Jul 2010	22,752.03
US Bank	Swap Payment for 1998F & G	Jun 2010	272,998.06
US Bank	Swap Payment for 1998F & G	Jul 2010	299,999.73
US DOE	Mead-Phoenix Firm Energy Losses	Apr 2010	30,365.71
US DOE	Mead-Phoenix Firm Energy Losses	May 2010	25,409.98
WREGIS	Transfer Volume Fee	Apr 2010	104.65
WREGIS	Transfer Volume Fee	May 2010	121.56
WREGIS	Transfer Volume Fee	Jun 2010	83.65
<b>TOTAL</b>			<b>\$ 34,251,942.22</b>





## MONTHLY PROJECT FUNDS STATUS

June 2010

(to be provided at the meeting)

Presented To Commission

July 28, 2010



UNAUDITED  
FINANCIAL STATEMENTS  
June 2010  
(to be provided at the meeting)

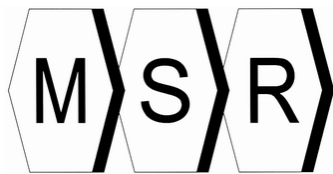
Presented To Commission

July 28, 2010



# Treasurer's Report

June 2010



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

Treasurer's Report for the Month of June 2010

Investment Activity, All Funds

General Fund Investment Portfolio Guideline Compliance

Investment Portfolio Pie Chart

General Fund Portfolio Average Maturity Report

MSR / LAIF / US Treasury 2-Year

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 2010**

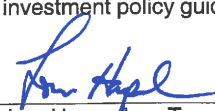
**FUND BALANCES**


<u>UNRESTRICTED FUNDS</u>	<u>05/31/10</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>06/30/10</u>
General Fund	21,612,317	12,694,736	11,729,140	22,577,913
 <u>RESTRICTED FUNDS</u>				
MSR Series A	0	0	0	0
MSR MASTER RESERVE	469,667	0	0	469,667
MSR Series B	0	0	0	0
MSR Series C	0	0	0	0
MSR Series D	0	0	0	0
MSR Series E	0	0	0	0
MSR Series F	3,944,327	405,637	(2)	4,349,967
MSR Series G	0	0	0	0
MSR Series H	0	0	0	0
MSR Series I	5,714,777	582,914	(1)	6,297,691
MSR 2003 Series I	0	0	0	0
MSR 2004 Series J	7,377,117	687,803	(1)	8,064,921
MSR 2007 Series K	4,514,540	317,119	(2)	4,831,661
MSR 2008 Series L	9,814,192	547,159	(4)	10,361,354
MSR 2008 Series M	3,209,219	13,708	13,708	3,209,219
MSR 2008 Series N	1,163,193	4,362	4,362	1,163,193
MSR Series 95B/95C (Taxable)	0	0	0	0
MSR Series 97D/97E	1,336,914	221,164	(1)	1,558,079
MSR Series 98F/98G/98 COI A/C	0	0	0	0
	<u>37,543,946</u>	<u>2,779,866</u>	<u>18,059</u>	<u>40,305,753</u>
 TOTAL FUNDS	 <u>59,156,264</u>	 <u>15,474,602</u>	 <u>11,747,199</u>	 <u>62,883,666</u>

**CASH & INVESTMENTS**

<u>DEMAND ACCOUNTS</u>			123,021
Union Bank - General Fund			
<u>INVESTMENTS (See Attached)</u>	Standard per	Actual	
Bankers Acceptances	Gov't Code	40%	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%	11.2%	7,016,832
Federal Agencies	No Limit	52.5%	32,954,444
Local Agency Investment Fund	\$50,000,000	11.9%	7,477,040
Money Market Accounts	No Limit	24.4%	15,351,309
Repurchase Agreements	No Limit	0.0%	0
U.S. Treasury Instruments	No Limit	0.0%	0
TOTAL INVESTMENTS		<u>100.0%</u>	<u>62,799,625</u>
Add: Deposits in transit			0
Less: Outstanding checks			(38,980)
 TOTAL CASH & INVESTMENTS			 <u><u>62,883,666</u></u>

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

  
Lou Hampel -- Treasurer

  
Don Dermond -- Asst. Treasurer

**Investment Activity, All Funds  
June 2010**

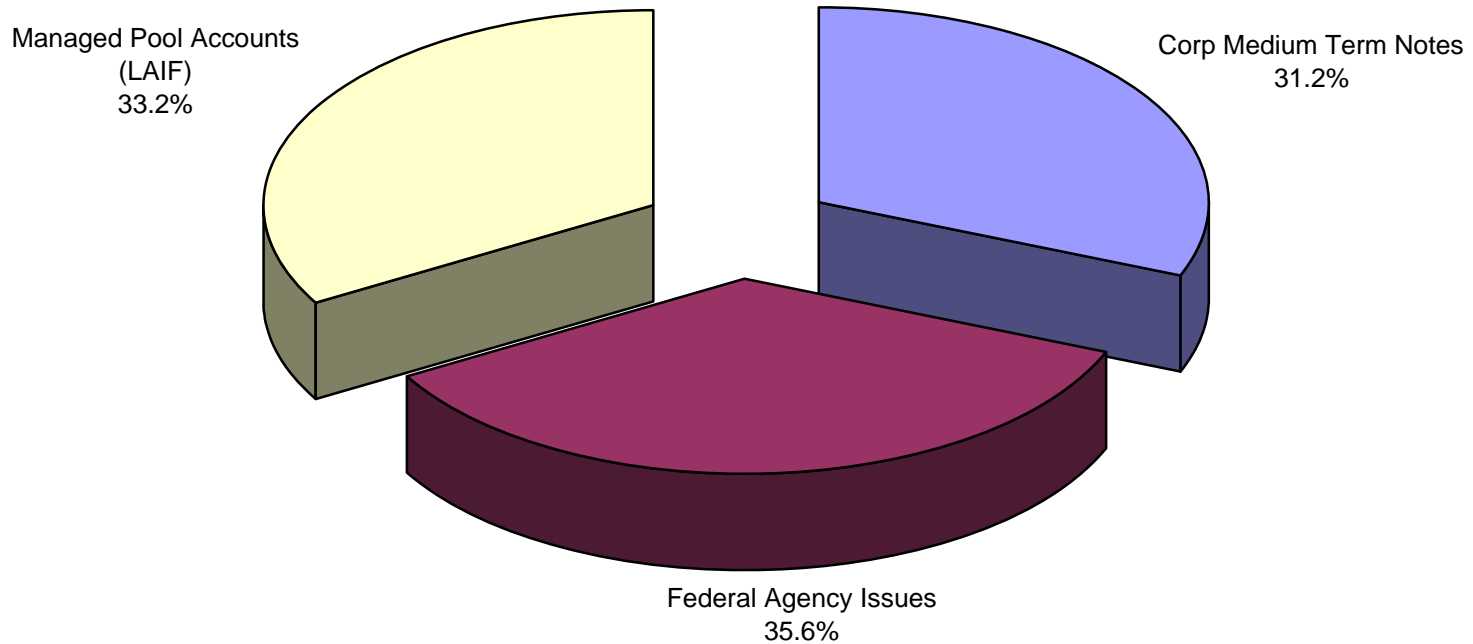
<b>Portfolio</b>	<b>Beginning Balance (Cost)</b>	<b>Purchases or Deposits</b>	<b>Sales/Maturities or Withdrawals</b>	<b>Ending Balance (Cost)</b>	<b>Market Value*</b>
MSR	\$21,612,317	\$5,200,000	\$4,234,404	\$22,577,913	\$22,647,021
MSR Trusts	<u>\$37,543,946</u>	<u>\$13,594,767</u>	<u>\$10,832,960</u>	<u>\$40,305,753</u>	<u>\$40,908,751</u>
	<u><u>\$59,156,263</u></u>	<u><u>\$18,794,767</u></u>	<u><u>\$15,067,364</u></u>	<u><u>\$62,883,666</u></u>	<u><u>\$63,555,772</u></u>

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

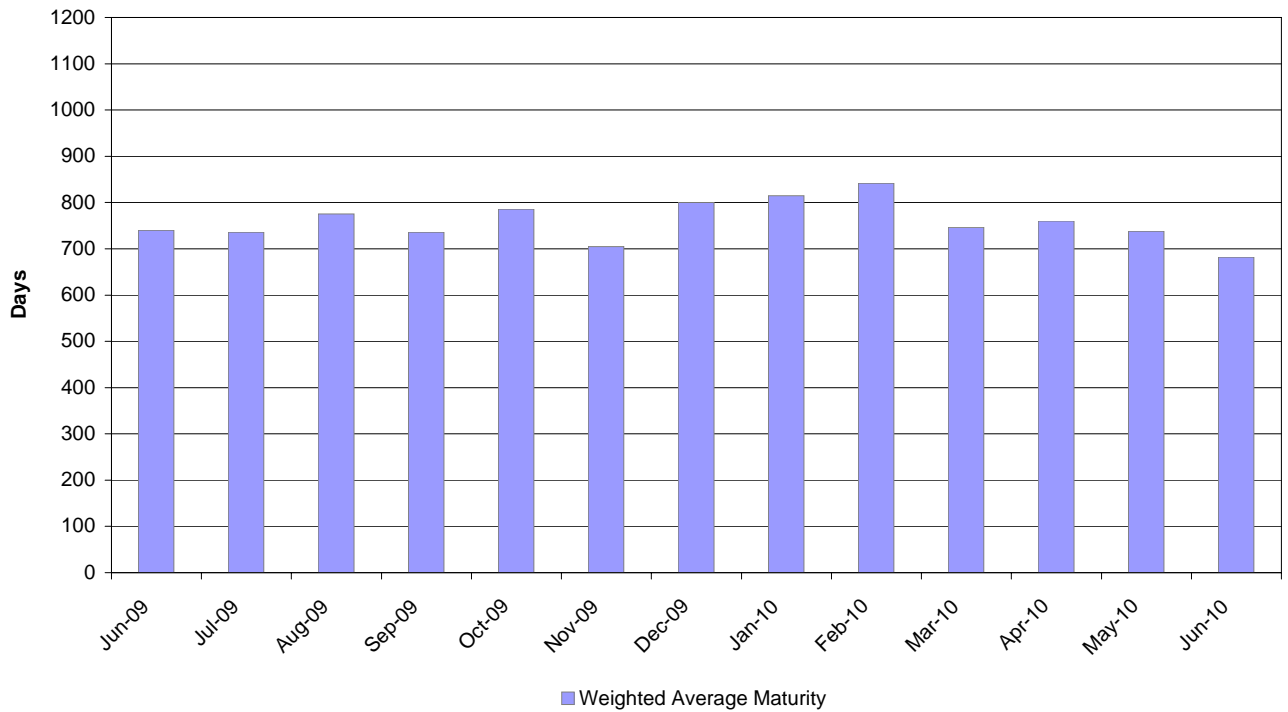
	<b>Standard</b>	<b>Actual</b>	<b>Cost</b>	<b>Market Value*</b>
Corp Medium Term Notes	30%	31.2%	\$7,016,832	\$6,997,020
Federal Agency Issues	No Limit	35.6%	\$8,000,000	\$8,088,920
Managed Pool Accounts (LAIF)	40M	33.2%	\$7,477,040	\$7,477,040
Treasury Securities	No Limit	0.0%	\$0	\$0
Municipal Bonds	No Limit	<u>0.0%</u>	<u>\$0</u>	<u>\$0</u>
		<u>100.0%</u>	<u>\$22,493,872</u>	<u>\$22,562,980</u>
Demand Account Balance	No Limit		<u>\$84,041</u>	<u>\$84,041</u>
Total			<u><u>\$22,577,913</u></u>	<u><u>\$22,647,021</u></u>

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

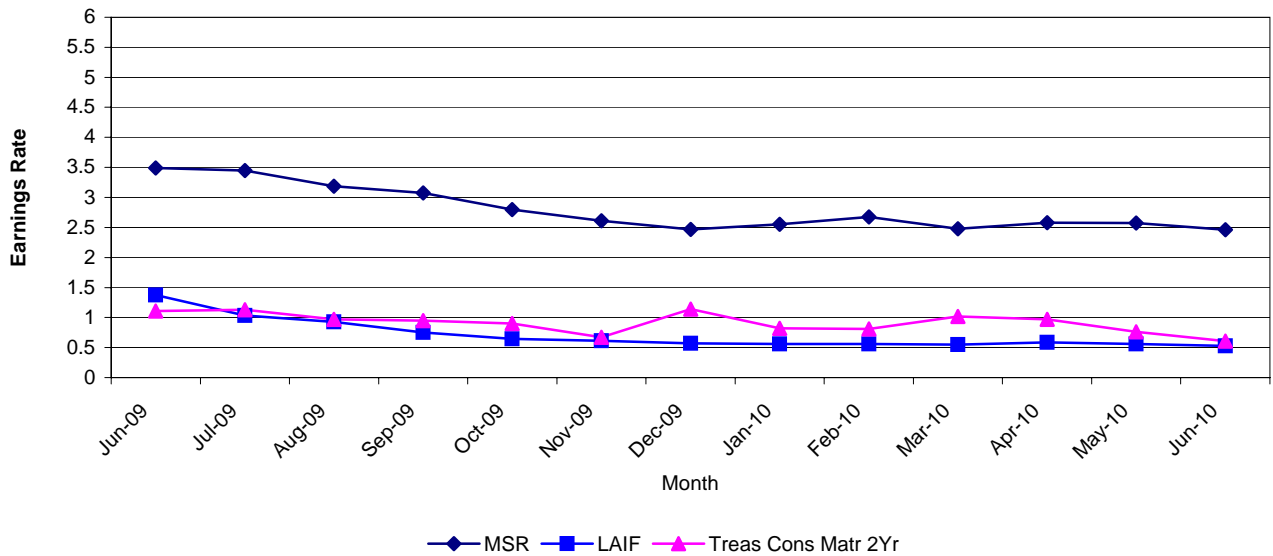
# M-S-R Public Power Agency Investment Portfolio June 2010



### General Fund Portfolio Average Maturity Report

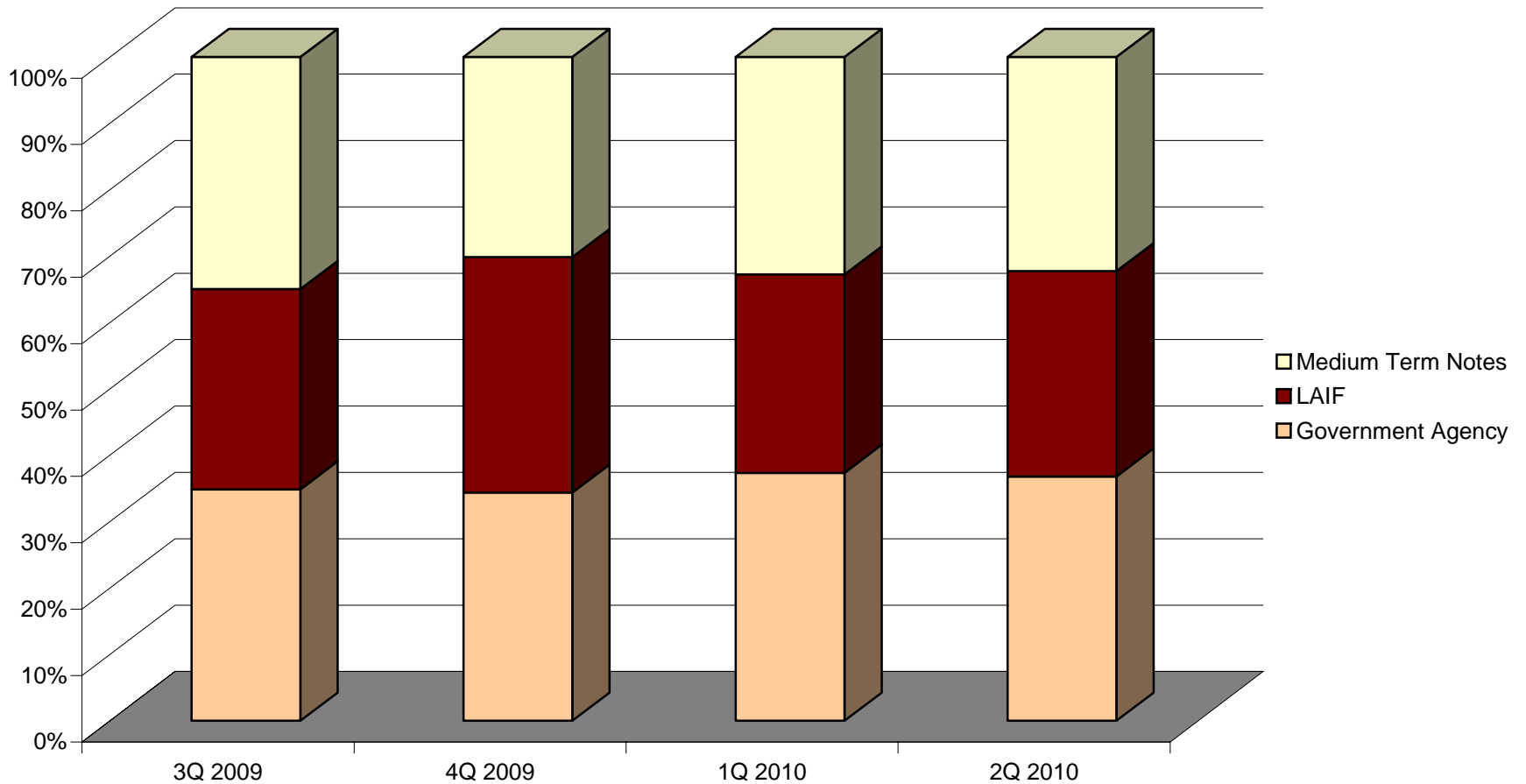


### MSR / LAIF / US Treasury 2-Year





# M-S-R Public Power Agency Investment Portfolio Quarterly Comparison Second Quarter 2010





**MSR Public Power Agency  
Portfolio Management  
Portfolio Summary  
June 30, 2010**

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

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Term</b>	<b>Days to Maturity</b>	<b>YTM 365 Equiv.</b>
Managed Pool Accounts	7,477,040.29	7,477,040.29	7,477,040.29	33.24	1	1	0.528
Corporate Medium Term Notes	7,000,000.00	6,997,020.00	7,016,832.08	31.19	1,665	799	4.517
Federal Agency Issues - Coupon	8,000,000.00	8,088,920.00	8,000,000.00	35.57	1,460	1,216	2.469
<b>Investments</b>	<b>22,477,040.29</b>	<b>22,562,980.29</b>	<b>22,493,872.37</b>	<b>100.00%</b>	<b>1,039</b>	<b>682</b>	<b>2.463</b>
<b>Cash</b>							
Passbook/Checking (not included in yield calculations)	84,040.69	84,040.69	84,040.69		1	1	0.000
<b>Total Cash and Investments</b>	<b>22,561,080.98</b>	<b>22,647,020.98</b>	<b>22,577,913.06</b>		<b>1,039</b>	<b>682</b>	<b>2.463</b>
<b>Total Earnings</b>	<b>June 30 Month Ending</b>	<b>Fiscal Year To Date</b>					
Current Year	45,339.88	15,894,943.06					
<b>Average Daily Balance</b>	<b>20,334,503.63</b>						

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Lou Hampel, Treasurer

**MSR Public Power Agency  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity	Maturity Date
<b>Managed Pool Accounts</b>												
SYSLAIF	LAIF	Local Agency Investment Fund		01/01/1999	7,477,040.29	7,477,040.29	7,477,040.29	0.528		0.528	1	
<b>Subtotal and Average</b>			<b>5,103,706.96</b>		<b>7,477,040.29</b>	<b>7,477,040.29</b>	<b>7,477,040.29</b>			<b>0.528</b>	<b>1</b>	
<b>Corporate Medium Term Notes</b>												
02639ENF7	13575	American General Finance		12/06/2007	2,000,000.00	1,773,680.00	2,000,000.00	5.500		5.500	898	12/15/2012
06406HBJ7	13699	Bank of New York Mellon		04/08/2008	2,000,000.00	2,154,520.00	2,016,832.08	4.500		4.310	1,005	04/01/2013
36966RW44	13634	General Electric Capital Corp		02/28/2008	3,000,000.00	3,068,820.00	3,000,000.00	4.000		4.000	594	02/15/2012
<b>Subtotal and Average</b>			<b>7,016,832.08</b>		<b>7,000,000.00</b>	<b>6,997,020.00</b>	<b>7,016,832.08</b>			<b>4.517</b>	<b>799</b>	
<b>Federal Agency Issues - Coupon</b>												
3133XUNE9	14549	Federal Home Loan Bank		08/25/2009	2,000,000.00	2,046,260.00	2,000,000.00	2.750		2.750	1,145	08/19/2013
3133XVEW7	14688	Federal Home Loan Bank		10/15/2009	3,000,000.00	3,015,930.00	3,000,000.00	2.500		2.500	1,202	10/15/2013
3128X9RG7	14822	Fed Home Loan Mortgage Corp		12/30/2009	3,000,000.00	3,026,730.00	3,000,000.00	2.250		2.250	1,278	12/30/2013
<b>Subtotal and Average</b>			<b>8,000,000.00</b>		<b>8,000,000.00</b>	<b>8,088,920.00</b>	<b>8,000,000.00</b>			<b>2.469</b>	<b>1,216</b>	
<b>Total Investments and Average</b>			<b>20,334,503.63</b>		<b>22,477,040.29</b>	<b>22,562,980.29</b>	<b>22,493,872.37</b>			<b>2.463</b>	<b>682</b>	

**MSR Public Power Agency  
Portfolio Management  
Portfolio Details - Cash  
June 30, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity
<b>Passbook/Checking Accounts</b>											
SYSGENERAL FUND	GENERAL FUND	Union Bank of California		01/01/1999	84,040.69	84,040.69	84,040.69			0.000	1
		<b>Average Balance</b>	<b>0.00</b>								<b>1</b>
<b>Total Cash and Investments</b>			<b>20,334,503.63</b>		<b>22,561,080.98</b>	<b>22,647,020.98</b>	<b>22,577,913.06</b>			<b>2.463</b>	<b>682</b>

**MSR Public Power Agency  
Portfolio Management  
Investment Status Report - Investments  
June 30, 2010**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Purchase Principal	Book Value
<b>Managed Pool Accounts</b>												
SYSLAIF	LAIF	LAIF	7,477,040.29	0.528		01/01/1999	0.521	0.528	01/15 - Quarterly		7,477,040.29	7,477,040.29
<b>Managed Pool Accounts Totals</b>			<b>7,477,040.29</b>				<b>0.521</b>	<b>0.528</b>		<b>0.00</b>	<b>7,477,040.29</b>	<b>7,477,040.29</b>
<b>Corporate Medium Term Notes</b>												
02639ENF7	13575	AMERIC	2,000,000.00	5.500	12/15/2012	12/06/2007	5.425	5.500	06/15 - 12/15		2,000,000.00	2,000,000.00
06406HBJ7	13699	BNYM	2,000,000.00	4.500	04/01/2013	04/08/2008	4.251	4.310	10/01 - 04/01	Received	2,016,832.08	2,016,832.08
36966RW44	13634	GEC	3,000,000.00	4.000	02/15/2012	02/28/2008	3.946	4.000	08/15 - 02/15		3,000,000.00	3,000,000.00
<b>Corporate Medium Term Notes Totals</b>			<b>7,000,000.00</b>				<b>4.455</b>	<b>4.517</b>		<b>0.00</b>	<b>7,016,832.08</b>	<b>7,016,832.08</b>
<b>Federal Agency Issues - Coupon</b>												
3133XUNE9	14549	FHLB	2,000,000.00	2.750	08/19/2013	08/25/2009	2.712	2.750	02/19 - 08/19	Received	2,000,000.00	2,000,000.00
3133XVEW7	14688	FHLB	3,000,000.00	2.500	10/15/2013	10/15/2009	2.466	2.500	04/15 - 10/15		3,000,000.00	3,000,000.00
3128X9RG7	14822	FREDMC	3,000,000.00	2.250	12/30/2013	12/30/2009	2.219	2.250	06/30 - 12/31		3,000,000.00	3,000,000.00
<b>Federal Agency Issues - Coupon Totals</b>			<b>8,000,000.00</b>				<b>2.435</b>	<b>2.469</b>		<b>0.00</b>	<b>8,000,000.00</b>	<b>8,000,000.00</b>
<b>Investment Totals</b>			<b>22,477,040.29</b>				<b>2.429</b>	<b>2.463</b>		<b>0.00</b>	<b>22,493,872.37</b>	<b>22,493,872.37</b>

**MSR Public Power Agency  
Portfolio Management  
Investment Status Report - Cash  
June 30, 2010**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Purchase Principal	Book Value
<b>Passbook/Checking Accounts</b>												
SYSGENERAL FUND	GENERAL FUND	UBC	84,040.69			01/01/1999	0.000	0.000	/ - Monthly		84,040.69	84,040.69
<b>Cash Totals</b>			<b>84,040.69</b>							<b>0.00</b>	<b>84,040.69</b>	<b>84,040.69</b>
<b>Totals for Cash and Investments</b>			<b>22,561,080.98</b>				<b>2.429</b>	<b>2.463</b>		<b>0.00</b>	<b>22,577,913.06</b>	<b>22,577,913.06</b>

**MSR Public Power Agency  
Portfolio Management  
Investment Activity By Type  
June 1, 2010 through June 30, 2010**

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Sales/Maturities or Withdrawals	Ending Balance
<b>Managed Pool Accounts (Monthly Summary)</b>								
SYSLAIF	LAIF	Local Agency Investment Fund		0.528		5,200,000.00	4,100,000.00	
		<b>Subtotal</b>	<b>6,377,040.29</b>			<b>5,200,000.00</b>	<b>4,100,000.00</b>	<b>7,477,040.29</b>
<b>Passbook/Checking Accounts (Monthly Summary)</b>								
SYSGENERAL FUND	GENERAL FUND	Union Bank of California				0.00	134,404.04	
		<b>Subtotal</b>	<b>218,444.73</b>			<b>0.00</b>	<b>134,404.04</b>	<b>84,040.69</b>
<b>Corporate Medium Term Notes</b>								
		<b>Subtotal</b>	<b>7,016,832.08</b>					<b>7,016,832.08</b>
<b>Federal Agency Issues - Coupon</b>								
		<b>Subtotal</b>	<b>8,000,000.00</b>					<b>8,000,000.00</b>
		<b>Total</b>	<b>21,612,317.10</b>			<b>5,200,000.00</b>	<b>4,234,404.04</b>	<b>22,577,913.06</b>



**MSR Public Power Agency**  
**Received Interest**  
**Sorted by Date Received - Grouped by Fund**  
**Received June 1, 2010 - June 30, 2010**

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

Date Received	CUSIP	Investment #	Investment Type	Par Value	Current Rate	Date Due	Received	Interest		Variance
								P & I Due	Amount Received	
<b>Fund: MSR Corporate Debt</b>										
June 2010	02639ENF7	13575	MTN	2,000,000.00	5.500	06/15/2010	06/15/2010	55,000.00	55,000.00	-
	3128X9RG7	14822	FAC	3,000,000.00	2.250	06/30/2010	06/30/2010	33,750.00	33,750.00	-
							<b>Subtotal</b>	<b>88,750.00</b>	<b>88,750.00</b>	
							<b>MSR Corporate Debt Subtotal</b>	<b>88,750.00</b>	<b>88,750.00</b>	
							<b>Total</b>	<b>88,750.00</b>	<b>88,750.00</b>	
							<b>Total Cash Overpayment</b>	<b>0.00</b>		
							<b>Total Cash Shortfall</b>	<b>0.00</b>		





**MSR Public Power Agency**  
**Activity Report**  
**Issuer: Local Agency Investment Fund**  
**June 1, 2010 - June 30, 2010**

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

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Par Value		Ending Balance
				Beginning Balance	Current Rate		Purchases or Deposits	Sales/Calls/Maturities or Withdrawals	
<b>Issuer: Local Agency Investment Fund</b>									
<b>Managed Pool Accounts</b>									
SYSLAIF	LAIF	Local Agency Investment Fund			0.528		5,200,000.00	4,100,000.00	
		<b>Subtotal and Balance</b>		<b>6,377,040.29</b>			<b>5,200,000.00</b>	<b>4,100,000.00</b>	<b>7,477,040.29</b>
		<b>Issuer Subtotal</b>	<b>33.141%</b>	<b>6,377,040.29</b>			<b>5,200,000.00</b>	<b>4,100,000.00</b>	<b>7,477,040.29</b>
		<b>Total</b>		<b>6,377,040.29</b>			<b>5,200,000.00</b>	<b>4,100,000.00</b>	<b>7,477,040.29</b>



**MSR Public Power Agency Trust  
Portfolio Management  
Portfolio Summary  
June 30, 2010**

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

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Term</b>	<b>Days to Maturity</b>	<b>YTM 365 Equiv.</b>
Federal Agency Issues - Coupon	13,400,000.00	13,838,442.00	13,241,029.89	53.06	1,086	471	3.425
Federal Agency Issues - Discount	11,719,000.00	11,719,000.00	11,713,413.94	46.94	156	0	0.112
<b>Investments</b>	<b>25,119,000.00</b>	<b>25,557,442.00</b>	<b>24,954,443.83</b>	<b>100.00%</b>	<b>650</b>	<b>250</b>	<b>1.870</b>
<b>Cash</b>							
Passbook/Checking (not included in yield calculations)	15,351,309.17	15,351,309.17	15,351,309.17		1	1	0.010
<b>Total Cash and Investments</b>	<b>40,470,309.17</b>	<b>40,908,751.17</b>	<b>40,305,753.00</b>		<b>650</b>	<b>250</b>	<b>1.870</b>
<b>Total Earnings</b>	<b>June 30 Month Ending</b>	<b>Fiscal Year To Date</b>					
Current Year	34,959.92	8,155,615.84					
<b>Average Daily Balance</b>	<b>38,116,128.56</b>						

Lou Hampel, Treasurer

**MSR Public Power Agency Trust  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity	Maturity Date
<b>Federal Agency Issues - Coupon</b>												
3133XRFL9	13816	Federal Home Loan Bank		06/11/2008	2,600,000.00	2,829,138.00	2,588,341.89	4.250		4.351	1,079	06/14/2013
3133XQQQ8	14006	Federal Home Loan Bank		11/25/2008	6,550,000.00	6,676,939.00	6,460,658.00	2.625		3.200	323	05/20/2011
3133XQQQ8	14007	Federal Home Loan Bank		11/25/2008	3,120,000.00	3,180,465.60	3,077,443.20	2.625		3.200	323	05/20/2011
3133XQQQ8	14008	Federal Home Loan Bank		11/25/2008	1,130,000.00	1,151,899.40	1,114,586.80	2.625		3.200	323	05/20/2011
<b>Subtotal and Average</b>			<b>13,241,029.89</b>		<b>13,400,000.00</b>	<b>13,838,442.00</b>	<b>13,241,029.89</b>			<b>3.425</b>	<b>471</b>	
<b>Federal Agency Issues - Discount</b>												
313589YU1	14865	Federal Nat'l Mtg. Assoc.		01/26/2010	221,000.00	221,000.00	220,894.65			0.112	0	07/01/2010
313589YU1	14866	Federal Nat'l Mtg. Assoc.		01/26/2010	85,000.00	85,000.00	84,959.48			0.112	0	07/01/2010
313589YU1	14867	Federal Nat'l Mtg. Assoc.		01/26/2010	2,238,000.00	2,238,000.00	2,236,933.22			0.112	0	07/01/2010
313589YU1	14868	Federal Nat'l Mtg. Assoc.		01/26/2010	181,000.00	181,000.00	180,913.73			0.112	0	07/01/2010
313589YU1	14869	Federal Nat'l Mtg. Assoc.		01/26/2010	2,809,000.00	2,809,000.00	2,807,661.04			0.112	0	07/01/2010
313589YU1	14870	Federal Nat'l Mtg. Assoc.		01/26/2010	32,000.00	32,000.00	31,984.75			0.112	0	07/01/2010
313589YU1	14871	Federal Nat'l Mtg. Assoc.		01/26/2010	4,598,000.00	4,598,000.00	4,595,808.29			0.112	0	07/01/2010
313589YU1	14872	Federal Nat'l Mtg. Assoc.		01/26/2010	195,000.00	195,000.00	194,907.05			0.112	0	07/01/2010
313589YU1	14873	Federal Nat'l Mtg. Assoc.		01/26/2010	473,000.00	473,000.00	472,774.54			0.112	0	07/01/2010
313589YU1	14874	Federal Nat'l Mtg. Assoc.		01/26/2010	490,000.00	490,000.00	489,766.43			0.112	0	07/01/2010
313589YU1	14875	Federal Nat'l Mtg. Assoc.		01/26/2010	397,000.00	397,000.00	396,810.76			0.112	0	07/01/2010
<b>Subtotal and Average</b>			<b>21,717,220.74</b>		<b>11,719,000.00</b>	<b>11,719,000.00</b>	<b>11,713,413.94</b>			<b>0.112</b>	<b>0</b>	
<b>Total Investments and Average</b>			<b>38,116,128.56</b>		<b>25,119,000.00</b>	<b>25,557,442.00</b>	<b>24,954,443.83</b>			<b>1.870</b>	<b>250</b>	

**MSR Public Power Agency Trust**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**June 30, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity
<b>Passbook/Checking Accounts</b>											
SYS0741MONEY	0741MONEY	U S BANK		09/26/2001	2,914,139.68	2,914,139.68	2,914,139.68	0.010		0.010	1
SYS0744 MONEY	0744 MONEY	U S BANK		09/26/2001	394,977.03	394,977.03	394,977.03	0.010		0.010	1
SYS1400 MONEY	1400 MONEY	U S BANK			0.00	0.00	0.00	0.500		0.500	1
SYS1401 MONEY	1401 MONEY	U S BANK			0.00	0.00	0.00	4.400		4.400	1
SYS1402 MONEY	1402 MONEY	U S BANK			0.00	0.00	0.00	4.400		4.400	1
SYS1403 MONEY	1403 MONEY	U S BANK			469,667.34	469,667.34	469,667.34	0.010		0.010	1
SYS1405 MONEY	1405 MONEY	U S BANK			0.00	0.00	0.00	5.030		5.030	1
SYS2400 MONEY	2400 MONEY	U S BANK		06/06/2003	0.00	0.00	0.00	1.510		1.510	1
SYS2401 MONEY	2401 MONEY	U S BANK		06/06/2003	0.00	0.00	0.00	1.510		1.510	1
SYS2402 MONEY	2402 MONEY	U S BANK		06/27/2003	0.00	0.00	0.00	0.570		0.570	1
SYS2404 MONEY	2404 MONEY	U S BANK		05/29/2003	0.00	0.00	0.00	0.510		0.510	1
SYS30000 MONEY	30000 MONEY	U S BANK		05/01/2009	107,679.82	107,679.82	107,679.82	0.010		0.010	1
SYS30001 MONEY	30001 MONEY	U S BANK		12/24/2008	2,451,247.55	2,451,247.55	2,451,247.55	0.010		0.010	1
SYS30002 MONEY	30002 MONEY	U S BANK		01/26/2009	283,254.20	283,254.20	283,254.20	0.010		0.010	1
SYS30003 MONEY	30003 MONEY	U S BANK		07/23/2008	171,937.50	171,937.50	171,937.50	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	90,825.85	90,825.85	90,825.85	0.010		0.010	1
SYS31003 MONEY	31003 MONEY	U S BANK		07/23/2008	40,950.00	40,950.00	40,950.00	0.010		0.010	1
SYS31006 MONEY	31006 MONEY	U S BANK		07/24/2008	0.00	0.00	0.00	0.010		0.010	1
SYS32000 MONEY	32000 MONEY	U S BANK		05/01/2009	33,774.79	33,774.79	33,774.79	0.010		0.010	1
SYS32003 MONEY	32003 MONEY	U S BANK		07/24/2008	14,831.25	14,831.25	14,831.25	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			1,105,234.54	1,105,234.54	1,105,234.54	0.010		0.010	1
SYS5591 MONEY	5591 MONEY	U S BANK			231,950.00	231,950.00	231,950.00	0.010		0.010	1
SYS5592 MONEY	5592 MONEY	U S BANK		04/30/2004	0.00	0.00	0.00	1.640		1.640	1
SYS5593 MONEY	5593 MONEY	U S BANK		05/03/2004	0.00	0.00	0.00	0.470		0.470	1
SYS5600 MONEY	5600 MONEY	U S BANK			0.00	0.00	0.00	0.520		0.520	1
SYS5601 MONEY	5601 MONEY	U S BANK			0.00	0.00	0.00	1.550		1.550	1
SYS5602 MONEY	5602 MONEY	U S BANK			0.00	0.00	0.00	5.100		5.100	1
SYS6680 MONEY	6680 MONEY	U S BANK			0.00	0.00	0.00	6.000		6.000	1
SYS6681 MONEY	6681 MONEY	U S BANK			0.00	0.00	0.00	5.020		5.020	1
SYS6810 MONEY	6810 MONEY	U S BANK			0.00	0.00	0.00	6.100		6.100	1
SYS6811 MONEY	6811 MONEY	U S BANK			0.00	0.00	0.00	4.400		4.400	1

**MSR Public Power Agency Trust  
Portfolio Management  
Portfolio Details - Cash  
June 30, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity
<b>Passbook/Checking Accounts</b>											
SYS6813 MONEY	6813 MONEY	U S BANK			0.00	0.00	0.00	4.400		4.400	1
SYS69000 MONEY	69000 MONEY	U S BANK		05/01/2009	205,888.35	205,888.35	205,888.35	0.010		0.010	1
SYS69001 MONEY	69001 MONEY	U S BANK		12/24/2007	971,516.21	971,516.21	971,516.21	0.010		0.010	1
SYS69002 MONEY	69002 MONEY	U S BANK		01/25/2008	337,302.90	337,302.90	337,302.90	0.010		0.010	1
SYS69003 MONEY	69003 MONEY	U S BANK		12/04/2007	60,930.00	60,930.00	60,930.00	0.010		0.010	1
SYS69004 MONEY	69004 MONEY	U S BANK		12/04/2007	0.00	0.00	0.00	0.035		0.035	1
SYS6990 MONEY	6990 MONEY	U S BANK			0.00	0.00	0.00	1.370		1.370	1
SYS6991 MONEY	6991 MONEY	U S BANK			0.00	0.00	0.00	1.370		1.370	1
SYS6992 MONEY	6992 MONEY	U S BANK			0.00	0.00	0.00	1.370		1.370	1
SYS6993 MONEY	6993 MONEY	U S BANK			0.00	0.00	0.00	1.370		1.370	1
SYS7260 MONEY	7260 MONEY	U S BANK			0.11	0.11	0.11	0.010		0.010	1
SYS7261 MONEY	7261 MONEY	U S BANK			429,639.35	429,639.35	429,639.35	0.010		0.010	1
SYS7262 MONEY	7262 MONEY	U S BANK			1,598,434.51	1,598,434.51	1,598,434.51	0.010		0.010	1
SYS7267 MONEY	7267 MONEY	U S BANK			0.00	0.00	0.00	5.060		5.060	1
SYS7510 MONEY	7510 MONEY	U S BANK			0.00	0.00	0.00	0.035		0.035	1
SYS7511 MONEY	7511 MONEY	U S BANK			0.00	0.00	0.00	1.400		1.400	1
SYS7512 MONEY	7512 MONEY	U S BANK		01/01/2001	0.00	0.00	0.00	5.000		5.000	1
SYS7514 MONEY	7514 MONEY	U S BANK			0.00	0.00	0.00	0.520		0.520	1
SYS8440 MONEY	8440 MONEY	U S BANK			0.00	0.00	0.00	1.500		1.500	1
SYS8441 MONEY	8441 MONEY	U S BANK			0.00	0.00	0.00	1.500		1.500	1
SYS8442 MONEY	8442 MONEY	U S BANK			0.00	0.00	0.00	4.350		4.350	1
SYS8443 MONEY	8443 MONEY	U S BANK			0.00	0.00	0.00	1.500		1.500	1
SYS8444 MONEY	8444 MONEY	U S BANK			0.00	0.00	0.00	0.970		0.970	1
SYS8940 MONEY	8940 MONEY	U S BANK		01/01/2001	0.00	0.00	0.00	0.035		0.035	1
SYS8942 MONEY	8942 MONEY	U S BANK			0.00	0.00	0.00	1.400		1.400	1
SYS8944 MONEY	8944 MONEY	U S BANK			0.00	0.00	0.00	5.500		5.500	1
SYS9000 MONEY	9000 MONEY	U S BANK		06/25/2004	35.30	35.30	35.30	0.010		0.010	1
SYS9001 MONEY	9001 MONEY	U S BANK		05/25/2004	162,147.93	162,147.93	162,147.93	0.010		0.010	1
SYS9002 MONEY	9002 MONEY	U S BANK		05/25/2004	3,274,944.96	3,274,944.96	3,274,944.96	0.010		0.010	1
SYS9004 MONEY	9004 MONEY	U S BANK		05/03/2004	0.00	0.00	0.00	0.510		0.510	1
	<b>Average Balance</b>		<b>0.00</b>								<b>1</b>
<b>Total Cash and Investments</b>			<b>38,116,128.56</b>		<b>40,470,309.17</b>	<b>40,908,751.17</b>	<b>40,305,753.00</b>			<b>1.870</b>	<b>250</b>

**MSR Public Power Agency Trust  
Portfolio Management  
Investment Status Report - Investments  
June 30, 2010**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Purchase Principal	Book Value
<b>Federal Agency Issues - Coupon</b>												
3133XRFL9	13816	FHLB	2,600,000.00	4.250	06/14/2013	06/11/2008	4.291	4.351	12/14 - 06/14	Received	2,588,341.89	2,588,341.89
3133XQQQ8	14006	FHLB	6,550,000.00	2.625	05/20/2011	11/25/2008	3.156	3.200	05/20 - 11/20	Received	6,460,658.00	6,460,658.00
3133XQQQ8	14007	FHLB	3,120,000.00	2.625	05/20/2011	11/25/2008	3.156	3.200	05/20 - 11/20	Received	3,077,443.20	3,077,443.20
3133XQQQ8	14008	FHLB	1,130,000.00	2.625	05/20/2011	11/25/2008	3.156	3.200	05/20 - 11/20	Received	1,114,586.80	1,114,586.80
<b>Federal Agency Issues - Coupon Totals</b>			<b>13,400,000.00</b>				<b>3.378</b>	<b>3.425</b>		<b>0.00</b>	<b>13,241,029.89</b>	<b>13,241,029.89</b>
<b>Federal Agency Issues - Discount</b>												
313589YU1	14865	FNMA	221,000.00		07/01/2010	01/26/2010	0.110	0.112	07/01 - At Maturity		220,894.65	220,894.65
313589YU1	14866	FNMA	85,000.00		07/01/2010	01/26/2010	0.110	0.112	07/01 - At Maturity		84,959.48	84,959.48
313589YU1	14867	FNMA	2,238,000.00		07/01/2010	01/26/2010	0.110	0.112	07/01 - At Maturity		2,236,933.22	2,236,933.22
313589YU1	14868	FNMA	181,000.00		07/01/2010	01/26/2010	0.110	0.112	07/01 - At Maturity		180,913.73	180,913.73
313589YU1	14869	FNMA	2,809,000.00		07/01/2010	01/26/2010	0.110	0.112	07/01 - At Maturity		2,807,661.04	2,807,661.04
313589YU1	14870	FNMA	32,000.00		07/01/2010	01/26/2010	0.110	0.112	07/01 - At Maturity		31,984.75	31,984.75
313589YU1	14871	FNMA	4,598,000.00		07/01/2010	01/26/2010	0.110	0.112	07/01 - At Maturity		4,595,808.29	4,595,808.29
313589YU1	14872	FNMA	195,000.00		07/01/2010	01/26/2010	0.110	0.112	07/01 - At Maturity		194,907.05	194,907.05
313589YU1	14873	FNMA	473,000.00		07/01/2010	01/26/2010	0.110	0.112	07/01 - At Maturity		472,774.54	472,774.54
313589YU1	14874	FNMA	490,000.00		07/01/2010	01/26/2010	0.110	0.112	07/01 - At Maturity		489,766.43	489,766.43
313589YU1	14875	FNMA	397,000.00		07/01/2010	01/26/2010	0.110	0.112	07/01 - At Maturity		396,810.76	396,810.76
<b>Federal Agency Issues - Discount Totals</b>			<b>11,719,000.00</b>				<b>0.110</b>	<b>0.112</b>		<b>0.00</b>	<b>11,713,413.94</b>	<b>11,713,413.94</b>
<b>Investment Totals</b>			<b>25,119,000.00</b>				<b>1.844</b>	<b>1.870</b>		<b>0.00</b>	<b>24,954,443.83</b>	<b>24,954,443.83</b>

**MSR Public Power Agency Trust**  
**Portfolio Management**  
**Investment Status Report - Cash**  
**June 30, 2010**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Purchase Principal	Book Value
<b>Passbook/Checking Accounts</b>												
SYS0741MONEY	0741MONEY	USBANK	2,914,139.68	0.010		09/26/2001	0.010	0.010	09/26 - Monthly		2,914,139.68	2,914,139.68
SYS0744 MONEY	0744 MONEY	USBANK	394,977.03	0.010		09/26/2001	0.010	0.010	09/26 - Monthly		394,977.03	394,977.03
SYS1400 MONEY	1400 MONEY	USBANK	0.00	0.500			0.493	0.500	01/02 - Monthly		0.00	0.00
SYS1401 MONEY	1401 MONEY	USBANK	0.00	4.400			4.340	4.400	01/02 - Monthly		0.00	0.00
SYS1402 MONEY	1402 MONEY	USBANK	0.00	4.400			4.340	4.400	01/02 - Monthly		0.00	0.00
SYS1403 MONEY	1403 MONEY	USBANK	469,667.34	0.010			0.010	0.010	01/02 - Monthly		469,667.34	469,667.34
SYS1405 MONEY	1405 MONEY	USBANK	0.00	5.030			4.961	5.030	01/02 - Monthly		0.00	0.00
SYS2400 MONEY	2400 MONEY	USBANK	0.00	1.510		06/06/2003	1.489	1.510	07/01 - Monthly		0.00	0.00
SYS2401 MONEY	2401 MONEY	USBANK	0.00	1.510		06/06/2003	1.489	1.510	07/01 - Monthly		0.00	0.00
SYS2402 MONEY	2402 MONEY	USBANK	0.00	0.570		06/27/2003	0.562	0.570	07/01 - Monthly		0.00	0.00
SYS2404 MONEY	2404 MONEY	USBANK	0.00	0.510		05/29/2003	0.503	0.510	06/01 - Monthly		0.00	0.00
SYS30000 MONEY	30000 MONEY	USBANK	107,679.82	0.010		05/01/2009	0.010	0.010	05/01 - Monthly		107,679.82	107,679.82
SYS30001 MONEY	30001 MONEY	USBANK	2,451,247.55	0.010		12/24/2008	0.010	0.010	01/01 - Monthly		2,451,247.55	2,451,247.55
SYS30002 MONEY	30002 MONEY	USBANK	283,254.20	0.010		01/26/2009	0.010	0.010	01/26 - Monthly		283,254.20	283,254.20
SYS30003 MONEY	30003 MONEY	USBANK	171,937.50	0.010		07/23/2008	0.010	0.010	08/01 - Monthly		171,937.50	171,937.50
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	90,825.85	0.010		05/01/2009	0.010	0.010	05/01 - Monthly		90,825.85	90,825.85
SYS31003 MONEY	31003 MONEY	USBANK	40,950.00	0.010		07/23/2008	0.010	0.010	08/01 - Monthly		40,950.00	40,950.00
SYS31006 MONEY	31006 MONEY	USBANK	0.00	0.010		07/24/2008	0.010	0.010	08/01 - Monthly		0.00	0.00
SYS32000 MONEY	32000 MONEY	USBANK	33,774.79	0.010		05/01/2009	0.010	0.010	05/01 - Monthly		33,774.79	33,774.79
SYS32003 MONEY	32003 MONEY	USBANK	14,831.25	0.010		07/24/2008	0.010	0.010	08/01 - Monthly		14,831.25	14,831.25
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	1,105,234.54	0.010			0.010	0.010	01/01 - Monthly		1,105,234.54	1,105,234.54
SYS5591 MONEY	5591 MONEY	USBANK	231,950.00	0.010			0.010	0.010	01/01 - Monthly		231,950.00	231,950.00
SYS5592 MONEY	5592 MONEY	USBANK	0.00	1.640		04/30/2004	1.618	1.640	04/30 - Monthly		0.00	0.00
SYS5593 MONEY	5593 MONEY	USBANK	0.00	0.470		05/03/2004	0.464	0.470	05/03 - Monthly		0.00	0.00
SYS5600 MONEY	5600 MONEY	USBANK	0.00	0.520			0.513	0.520	01/01 - Monthly		0.00	0.00
SYS5601 MONEY	5601 MONEY	USBANK	0.00	1.550			1.529	1.550	01/01 - Monthly		0.00	0.00
SYS5602 MONEY	5602 MONEY	USBANK	0.00	5.100			5.030	5.100	01/01 - Monthly		0.00	0.00
SYS6680 MONEY	6680 MONEY	USBANK	0.00	6.000			5.918	6.000	01/02 - Monthly		0.00	0.00
SYS6681 MONEY	6681 MONEY	USBANK	0.00	5.020			4.951	5.020	01/02 - Monthly		0.00	0.00

**MSR Public Power Agency Trust  
Portfolio Management  
Investment Status Report - Cash  
June 30, 2010**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Purchase Principal	Book Value
<b>Passbook/Checking Accounts</b>												
SYS6810 MONEY	6810 MONEY	USBANK	0.00	6.100			6.016	6.100	01/02 - Monthly		0.00	0.00
SYS6811 MONEY	6811 MONEY	USBANK	0.00	4.400			4.340	4.400	01/02 - Monthly		0.00	0.00
SYS6813 MONEY	6813 MONEY	USBANK	0.00	4.400			4.340	4.400	01/02 - Monthly		0.00	0.00
SYS69000 MONEY	69000 MONEY	USBANK	205,888.35	0.010		05/01/2009	0.010	0.010	05/01 - Monthly		205,888.35	205,888.35
SYS69001MONEY	69001 MONEY	USBANK	971,516.21	0.010		12/24/2007	0.010	0.010	01/01 - Monthly		971,516.21	971,516.21
SYS69002 MONEY	69002 MONEY	USBANK	337,302.90	0.010		01/25/2008	0.010	0.010	01/25 - Monthly		337,302.90	337,302.90
SYS69003MONEY	69003 MONEY	USBANK	60,930.00	0.010		12/04/2007	0.010	0.010	01/01 - Monthly		60,930.00	60,930.00
SYS69004 MONEY	69004 MONEY	USBANK	0.00	0.035		12/04/2007	0.035	0.035	01/01 - Monthly		0.00	0.00
SYS6990 MONEY	6990 MONEY	USBANK	0.00	1.370			1.351	1.370	01/02 - Monthly		0.00	0.00
SYS6991 MONEY	6991 MONEY	USBANK	0.00	1.370			1.351	1.370	01/02 - Monthly		0.00	0.00
SYS6992 MONEY	6992 MONEY	USBANK	0.00	1.370			1.351	1.370	01/02 - Monthly		0.00	0.00
SYS6993 MONEY	6993 MONEY	USBANK	0.00	1.370			1.351	1.370	/ - Monthly		0.00	0.00
SYS7260 MONEY	7260 MONEY	USBANK	0.11	0.010			0.010	0.010	01/02 - Monthly		0.11	0.11
SYS7261 MONEY	7261 MONEY	USBANK	429,639.35	0.010			0.010	0.010	01/02 - Monthly		429,639.35	429,639.35
SYS7262 MONEY	7262 MONEY	USBANK	1,598,434.51	0.010			0.010	0.010	01/02 - Monthly		1,598,434.51	1,598,434.51
SYS7267 MONEY	7267 MONEY	USBANK	0.00	5.060			4.991	5.060	01/02 - Monthly		0.00	0.00
SYS7510 MONEY	7510 MONEY	USBANK	0.00	0.035			0.035	0.035	01/02 - Monthly		0.00	0.00
SYS7511 MONEY	7511 MONEY	USBANK	0.00	1.400			1.381	1.400	01/02 - Monthly		0.00	0.00
SYS7512 MONEY	7512 MONEY	USBANK	0.00	5.000		01/01/2001	4.932	5.000	01/02 - Monthly		0.00	0.00
SYS7514 MONEY	7514 MONEY	USBANK	0.00	0.520			0.513	0.520	01/01 - Monthly		0.00	0.00
SYS8440 MONEY	8440 MONEY	USBANK	0.00	1.500			1.479	1.500	01/02 - Monthly		0.00	0.00
SYS8441 MONEY	8441 MONEY	USBANK	0.00	1.500			1.479	1.500	01/02 - Monthly		0.00	0.00
SYS8442 MONEY	8442 MONEY	USBANK	0.00	4.350			4.290	4.350	01/02 - Monthly		0.00	0.00
SYS8443 MONEY	8443 MONEY	USBANK	0.00	1.500			1.479	1.500	01/02 - Monthly		0.00	0.00
SYS8444 MONEY	8444 MONEY	USBANK	0.00	0.970			0.957	0.970	/ - Monthly		0.00	0.00
SYS8940 MONEY	8940 MONEY	USBANK	0.00	0.035		01/01/2001	0.035	0.035	07/01 - Monthly		0.00	0.00
SYS8942 MONEY	8942 MONEY	USBANK	0.00	1.400			1.381	1.400	07/01 - Monthly		0.00	0.00
SYS8944 MONEY	8944 MONEY	USBANK	0.00	5.500			5.425	5.500	/ - Monthly		0.00	0.00
SYS9000 MONEY	9000 MONEY	USBANK	35.30	0.010		06/25/2004	0.010	0.010	06/25 - Monthly		35.30	35.30
SYS9001 MONEY	9001 MONEY	USBANK	162,147.93	0.010		05/25/2004	0.010	0.010	05/25 - Monthly		162,147.93	162,147.93
SYS9002 MONEY	9002 MONEY	USBANK	3,274,944.96	0.010		05/25/2004	0.010	0.010	05/25 - Monthly		3,274,944.96	3,274,944.96
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>15,351,309.17</b>							<b>0.00</b>	<b>15,351,309.17</b>	<b>15,351,309.17</b>
<b>Totals for Cash and Investments</b>			<b>40,470,309.17</b>				<b>1.844</b>	<b>1.870</b>		<b>0.00</b>	<b>40,305,753.00</b>	<b>40,305,753.00</b>



**MSR Public Power Agency Trust  
Portfolio Management  
Investment Activity By Type  
June 1, 2010 through June 30, 2010**

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Sales/Maturities or Withdrawals	Ending Balance
<b>Passbook/Checking Accounts (Monthly Summary)</b>								
SYS0741MONEY	0741MONEY	U S BANK		0.010		2,913,244.02	0.00	
SYS30001 MONEY	30001 MONEY	U S BANK		0.010		2,450,923.96	0.00	
SYS30002 MONEY	30002 MONEY	U S BANK		0.010		282,609.68	0.00	
SYS31000 MONEY	31000 MONEY	U S BANK		0.010		13,708.94	13,708.94	
SYS32000 MONEY	32000 MONEY	U S BANK		0.010		4,362.61	4,362.61	
SYS5590 MONEY	5590 MONEY	U S BANK		0.010		1,104,910.95	0.00	
SYS69001MONEY	69001 MONEY	U S BANK		0.010		971,195.92	0.00	
SYS69002 MONEY	69002 MONEY	U S BANK		0.010		336,374.42	0.00	
SYS69003MONEY	69003 MONEY	U S BANK		0.010		55,250.00	0.00	
SYS7261 MONEY	7261 MONEY	U S BANK		0.010		428,723.63	0.00	
SYS7262 MONEY	7262 MONEY	U S BANK		0.010		1,597,449.14	0.00	
SYS9001 MONEY	9001 MONEY	U S BANK		0.010		161,339.35	0.00	
SYS9002 MONEY	9002 MONEY	U S BANK		0.010		3,274,674.22	0.00	
	<b>Subtotal</b>		<b>1,774,613.88</b>			<b>13,594,766.84</b>	<b>18,071.55</b>	<b>15,351,309.17</b>
<b>Federal Agency Issues - Coupon</b>								
	<b>Subtotal</b>		<b>13,241,029.89</b>					<b>13,241,029.89</b>
<b>Federal Agency Issues - Discount</b>								
313385YT7	15007	Federal Home Loan Bank			06/30/2010	0.00	220,911.60	
313385YT7	15008	Federal Home Loan Bank			06/30/2010	0.00	85,965.60	
313385YT7	15009	Federal Home Loan Bank			06/30/2010	0.00	319,872.00	
313385YT7	15010	Federal Home Loan Bank			06/30/2010	0.00	180,927.60	
313385YT7	15011	Federal Home Loan Bank			06/30/2010	0.00	401,839.20	
313385YT7	15012	Federal Home Loan Bank			06/30/2010	0.00	32,986.80	
313385YT7	15013	Federal Home Loan Bank			06/30/2010	0.00	654,738.00	
313385YT7	15014	Federal Home Loan Bank			06/30/2010	0.00	193,922.40	
313385YT7	15015	Federal Home Loan Bank			06/30/2010	0.00	67,972.80	
313385YT7	15016	Federal Home Loan Bank			06/30/2010	0.00	489,804.00	
313385YT7	15017	Federal Home Loan Bank			06/30/2010	0.00	56,977.20	
313385YNO	15046	Federal Home Loan Bank			06/25/2010	0.00	220,960.16	
313385YNO	15047	Federal Home Loan Bank			06/25/2010	0.00	85,984.50	
313385YNO	15048	Federal Home Loan Bank			06/25/2010	0.00	318,942.49	
313385YNO	15049	Federal Home Loan Bank			06/25/2010	0.00	180,967.37	
313385YNO	15050	Federal Home Loan Bank			06/25/2010	0.00	400,927.71	
313385YNO	15051	Federal Home Loan Bank			06/25/2010	0.00	31,994.23	
313385YNO	15052	Federal Home Loan Bank			06/25/2010	0.00	654,881.92	
313385YNO	15053	Federal Home Loan Bank			06/25/2010	0.00	194,964.85	
313385YNO	15054	Federal Home Loan Bank			06/25/2010	0.00	66,987.92	

**MSR Public Power Agency Trust  
Portfolio Management  
Investment Activity By Type  
June 1, 2010 through June 30, 2010**

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Sales/Maturities or Withdrawals	Ending Balance
<b>Federal Agency Issues - Discount</b>								
313385YN0	15055	Federal Home Loan Bank			06/25/2010	0.00	489,911.66	
313385YN0	15056	Federal Home Loan Bank			06/25/2010	0.00	56,989.72	
313385YT7	15166	Federal Home Loan Bank			06/30/2010	0.00	220,980.64	
313385YT7	15167	Federal Home Loan Bank			06/30/2010	0.00	84,992.56	
313385YT7	15168	Federal Home Loan Bank			06/30/2010	0.00	318,972.09	
313385YT7	15169	Federal Home Loan Bank			06/30/2010	0.00	180,984.16	
313385YT7	15170	Federal Home Loan Bank			06/30/2010	0.00	400,964.92	
313385YT7	15171	Federal Home Loan Bank			06/30/2010	0.00	31,997.20	
313385YT7	15172	Federal Home Loan Bank			06/30/2010	0.00	654,942.69	
313385YT7	15173	Federal Home Loan Bank			06/30/2010	0.00	193,983.03	
313385YT7	15174	Federal Home Loan Bank			06/30/2010	0.00	66,994.14	
313385YT7	15175	Federal Home Loan Bank			06/30/2010	0.00	489,957.13	
313385YT7	15176	Federal Home Loan Bank			06/30/2010	0.00	55,995.10	
313589YT4	14955	Federal Nat'l Mtg. Assoc.			06/30/2010	0.00	220,893.42	
313589YT4	14956	Federal Nat'l Mtg. Assoc.			06/30/2010	0.00	85,958.53	
313589YT4	14957	Federal Nat'l Mtg. Assoc.			06/30/2010	0.00	319,845.69	
313589YT4	14958	Federal Nat'l Mtg. Assoc.			06/30/2010	0.00	180,912.72	
313589YT4	14959	Federal Nat'l Mtg. Assoc.			06/30/2010	0.00	402,805.66	
313589YT4	14960	Federal Nat'l Mtg. Assoc.			06/30/2010	0.00	31,984.57	
313589YT4	14961	Federal Nat'l Mtg. Assoc.			06/30/2010	0.00	654,684.15	
313589YT4	14962	Federal Nat'l Mtg. Assoc.			06/30/2010	0.00	193,906.45	
313589YT4	14963	Federal Nat'l Mtg. Assoc.			06/30/2010	0.00	66,967.69	
313589YT4	14964	Federal Nat'l Mtg. Assoc.			06/30/2010	0.00	490,763.23	
313589YT4	14965	Federal Nat'l Mtg. Assoc.			06/30/2010	0.00	55,973.00	
		<b>Subtotal</b>	<b>22,528,302.44</b>			<b>0.00</b>	<b>10,814,888.50</b>	<b>11,713,413.94</b>
		<b>Total</b>	<b>37,543,946.21</b>			<b>13,594,766.84</b>	<b>10,832,960.05</b>	<b>40,305,753.00</b>



**MSR Public Power Agency Trust**  
**Received Interest**  
**Sorted by Date Received**  
**Received June 1, 2010 - June 30, 2010**

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 2010</b>	3133XRFL9	13816	FAC	2,600,000.00	4.250	06/14/2010	06/14/2010	55,250.00	55,250.00	-
	313385YN0	15046	FAD	0.00		06/25/2010	06/25/2010	39.84	39.84	-
	313385YN0	15047	FAD	0.00		06/25/2010	06/25/2010	15.50	15.50	-
	313385YN0	15048	FAD	0.00		06/25/2010	06/25/2010	57.51	57.51	-
	313385YN0	15049	FAD	0.00		06/25/2010	06/25/2010	32.63	32.63	-
	313385YN0	15050	FAD	0.00		06/25/2010	06/25/2010	72.29	72.29	-
	313385YN0	15051	FAD	0.00		06/25/2010	06/25/2010	5.77	5.77	-
	313385YN0	15052	FAD	0.00		06/25/2010	06/25/2010	118.08	118.08	-
	313385YN0	15053	FAD	0.00		06/25/2010	06/25/2010	35.15	35.15	-
	313385YN0	15054	FAD	0.00		06/25/2010	06/25/2010	12.08	12.08	-
	313385YN0	15055	FAD	0.00		06/25/2010	06/25/2010	88.34	88.34	-
	313385YN0	15056	FAD	0.00		06/25/2010	06/25/2010	10.28	10.28	-
	313385YT7	15007	FAD	221,000.00		06/30/2010	06/30/2010	88.40	88.40	-
	313385YT7	15008	FAD	86,000.00		06/30/2010	06/30/2010	34.40	34.40	-
	313385YT7	15009	FAD	320,000.00		06/30/2010	06/30/2010	128.00	128.00	-
	313385YT7	15010	FAD	181,000.00		06/30/2010	06/30/2010	72.40	72.40	-
	313385YT7	15011	FAD	402,000.00		06/30/2010	06/30/2010	160.80	160.80	-
	313385YT7	15012	FAD	33,000.00		06/30/2010	06/30/2010	13.20	13.20	-
	313385YT7	15013	FAD	655,000.00		06/30/2010	06/30/2010	262.00	262.00	-
	313385YT7	15014	FAD	194,000.00		06/30/2010	06/30/2010	77.60	77.60	-
	313385YT7	15015	FAD	68,000.00		06/30/2010	06/30/2010	27.20	27.20	-
	313385YT7	15016	FAD	490,000.00		06/30/2010	06/30/2010	196.00	196.00	-
	313385YT7	15017	FAD	57,000.00		06/30/2010	06/30/2010	22.80	22.80	-
	313385YT7	15166	FAD	221,000.00		06/30/2010	06/30/2010	19.36	19.36	-
	313385YT7	15167	FAD	85,000.00		06/30/2010	06/30/2010	7.44	7.44	-
	313385YT7	15168	FAD	319,000.00		06/30/2010	06/30/2010	27.91	27.91	-
	313385YT7	15169	FAD	181,000.00		06/30/2010	06/30/2010	15.84	15.84	-
	313385YT7	15170	FAD	401,000.00		06/30/2010	06/30/2010	35.08	35.08	-
	313385YT7	15171	FAD	32,000.00		06/30/2010	06/30/2010	2.80	2.80	-
	313385YT7	15172	FAD	655,000.00		06/30/2010	06/30/2010	57.31	57.31	-
	313385YT7	15173	FAD	194,000.00		06/30/2010	06/30/2010	16.97	16.97	-
	313385YT7	15174	FAD	67,000.00		06/30/2010	06/30/2010	5.86	5.86	-
	313385YT7	15175	FAD	490,000.00		06/30/2010	06/30/2010	42.87	42.87	-
	313385YT7	15176	FAD	56,000.00		06/30/2010	06/30/2010	4.90	4.90	-
	313589YT4	14955	FAD	221,000.00		06/30/2010	06/30/2010	106.58	106.58	-
	313589YT4	14956	FAD	86,000.00		06/30/2010	06/30/2010	41.47	41.47	-
	313589YT4	14957	FAD	320,000.00		06/30/2010	06/30/2010	154.31	154.31	-
	313589YT4	14958	FAD	181,000.00		06/30/2010	06/30/2010	87.28	87.28	-

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**MSR Public Power Agency Trust**  
**Received Interest**  
**Received June 1, 2010 - June 30, 2010**

Date Received	CUSIP	Investment #	Investment Type	Par Value	Current Rate			Interest		Variance
						Date Due	Received	P & I Due	Amount Received	
<b>June 2010</b>	313589YT4	14959	FAD	403,000.00		06/30/2010	06/30/2010	194.34	194.34	-
	313589YT4	14960	FAD	32,000.00		06/30/2010	06/30/2010	15.43	15.43	-
	313589YT4	14961	FAD	655,000.00		06/30/2010	06/30/2010	315.85	315.85	-
	313589YT4	14962	FAD	194,000.00		06/30/2010	06/30/2010	93.55	93.55	-
	313589YT4	14963	FAD	67,000.00		06/30/2010	06/30/2010	32.31	32.31	-
	313589YT4	14964	FAD	491,000.00		06/30/2010	06/30/2010	236.77	236.77	-
	313589YT4	14965	FAD	56,000.00		06/30/2010	06/30/2010	27.00	27.00	-
							<b>Subtotal</b>	<b>58,361.50</b>	<b>58,361.50</b>	
<b>Total</b>								<b>58,361.50</b>	<b>58,361.50</b>	
<b>Total Cash Overpayment</b>								<b>0.00</b>		
<b>Total Cash Shortfall</b>								<b>0.00</b>		



**MSR Public Power Agency Trust**  
**Realized Gains and Losses**  
**Sorted By Maturity/Sale/Call Date**  
**Sales/Calls/Maturities: June 1, 2010 - June 30, 2010**

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
15046	FAD	04/27/2010	221,000.00	06/25/2010	59	220,960.16	221,000.00	0.00	39.84	39.84	0.112
Federal Home Loan Bank				06/25/2010	59						
15047	FAD	04/27/2010	86,000.00	06/25/2010	59	85,984.50	86,000.00	0.00	15.50	15.50	0.112
Federal Home Loan Bank				06/25/2010	59						
15048	FAD	04/27/2010	319,000.00	06/25/2010	59	318,942.49	319,000.00	0.00	57.51	57.51	0.112
Federal Home Loan Bank				06/25/2010	59						
15049	FAD	04/27/2010	181,000.00	06/25/2010	59	180,967.37	181,000.00	0.00	32.63	32.63	0.112
Federal Home Loan Bank				06/25/2010	59						
15050	FAD	04/27/2010	401,000.00	06/25/2010	59	400,927.71	401,000.00	0.00	72.29	72.29	0.112
Federal Home Loan Bank				06/25/2010	59						
15051	FAD	04/27/2010	32,000.00	06/25/2010	59	31,994.23	32,000.00	0.00	5.77	5.77	0.112
Federal Home Loan Bank				06/25/2010	59						
15052	FAD	04/27/2010	655,000.00	06/25/2010	59	654,881.92	655,000.00	0.00	118.08	118.08	0.112
Federal Home Loan Bank				06/25/2010	59						
15053	FAD	04/27/2010	195,000.00	06/25/2010	59	194,964.85	195,000.00	0.00	35.15	35.15	0.112
Federal Home Loan Bank				06/25/2010	59						
15054	FAD	04/27/2010	67,000.00	06/25/2010	59	66,987.92	67,000.00	0.00	12.08	12.08	0.112
Federal Home Loan Bank				06/25/2010	59						
15055	FAD	04/27/2010	490,000.00	06/25/2010	59	489,911.66	490,000.00	0.00	88.34	88.34	0.112
Federal Home Loan Bank				06/25/2010	59						
15056	FAD	04/27/2010	57,000.00	06/25/2010	59	56,989.72	57,000.00	0.00	10.28	10.28	0.112
Federal Home Loan Bank				06/25/2010	59						
15007	FAD	03/26/2010	221,000.00	06/30/2010	96	220,911.60	221,000.00	0.00	88.40	88.40	0.152
Federal Home Loan Bank				06/30/2010	96						
15008	FAD	03/26/2010	86,000.00	06/30/2010	96	85,965.60	86,000.00	0.00	34.40	34.40	0.152
Federal Home Loan Bank				06/30/2010	96						
15009	FAD	03/26/2010	320,000.00	06/30/2010	96	319,872.00	320,000.00	0.00	128.00	128.00	0.152
Federal Home Loan Bank				06/30/2010	96						
15010	FAD	03/26/2010	181,000.00	06/30/2010	96	180,927.60	181,000.00	0.00	72.40	72.40	0.152
Federal Home Loan Bank				06/30/2010	96						
15011	FAD	03/26/2010	402,000.00	06/30/2010	96	401,839.20	402,000.00	0.00	160.80	160.80	0.152
Federal Home Loan Bank				06/30/2010	96						
15012	FAD	03/26/2010	33,000.00	06/30/2010	96	32,986.80	33,000.00	0.00	13.20	13.20	0.152
Federal Home Loan Bank				06/30/2010	96						
15013	FAD	03/26/2010	655,000.00	06/30/2010	96	654,738.00	655,000.00	0.00	262.00	262.00	0.152
Federal Home Loan Bank				06/30/2010	96						
15014	FAD	03/26/2010	194,000.00	06/30/2010	96	193,922.40	194,000.00	0.00	77.60	77.60	0.152
Federal Home Loan Bank				06/30/2010	96						

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**MSR Public Power Agency Trust  
Realized Gains and Losses  
Sales/Calls/Maturities: June 1, 2010 - June 30, 2010**

Investment #	Inv. Type	Purchase Date	Par Value	Sale Date	Days Held	Maturity/Sale Proceeds	Realized Gain/Loss	Total Earnings	Total Net Earnings	Total Yield 365	
Issuer			Current Rate	Maturity Date	Term	Book Value					
15015	FAD	03/26/2010	68,000.00	06/30/2010	96	67,972.80	68,000.00	0.00	27.20	27.20	0.152
Federal Home Loan Bank				06/30/2010	96						
15016	FAD	03/26/2010	490,000.00	06/30/2010	96	489,804.00	490,000.00	0.00	196.00	196.00	0.152
Federal Home Loan Bank				06/30/2010	96						
15017	FAD	03/26/2010	57,000.00	06/30/2010	96	56,977.20	57,000.00	0.00	22.80	22.80	0.152
Federal Home Loan Bank				06/30/2010	96						
15166	FAD	05/26/2010	221,000.00	06/30/2010	35	220,980.64	221,000.00	0.00	19.36	19.36	0.091
Federal Home Loan Bank				06/30/2010	35						
15167	FAD	05/26/2010	85,000.00	06/30/2010	35	84,992.56	85,000.00	0.00	7.44	7.44	0.091
Federal Home Loan Bank				06/30/2010	35						
15168	FAD	05/26/2010	319,000.00	06/30/2010	35	318,972.09	319,000.00	0.00	27.91	27.91	0.091
Federal Home Loan Bank				06/30/2010	35						
15169	FAD	05/26/2010	181,000.00	06/30/2010	35	180,984.16	181,000.00	0.00	15.84	15.84	0.091
Federal Home Loan Bank				06/30/2010	35						
15170	FAD	05/26/2010	401,000.00	06/30/2010	35	400,964.92	401,000.00	0.00	35.08	35.08	0.091
Federal Home Loan Bank				06/30/2010	35						
15171	FAD	05/26/2010	32,000.00	06/30/2010	35	31,997.20	32,000.00	0.00	2.80	2.80	0.091
Federal Home Loan Bank				06/30/2010	35						
15172	FAD	05/26/2010	655,000.00	06/30/2010	35	654,942.69	655,000.00	0.00	57.31	57.31	0.091
Federal Home Loan Bank				06/30/2010	35						
15173	FAD	05/26/2010	194,000.00	06/30/2010	35	193,983.03	194,000.00	0.00	16.97	16.97	0.091
Federal Home Loan Bank				06/30/2010	35						
15174	FAD	05/26/2010	67,000.00	06/30/2010	35	66,994.14	67,000.00	0.00	5.86	5.86	0.091
Federal Home Loan Bank				06/30/2010	35						
15175	FAD	05/26/2010	490,000.00	06/30/2010	35	489,957.13	490,000.00	0.00	42.87	42.87	0.091
Federal Home Loan Bank				06/30/2010	35						
15176	FAD	05/26/2010	56,000.00	06/30/2010	35	55,995.10	56,000.00	0.00	4.90	4.90	0.091
Federal Home Loan Bank				06/30/2010	35						
14955	FAD	02/26/2010	221,000.00	06/30/2010	124	220,893.42	221,000.00	0.00	106.58	106.58	0.142
Federal Nat'l Mtg. Assoc.				06/30/2010	124						
14956	FAD	02/26/2010	86,000.00	06/30/2010	124	85,958.53	86,000.00	0.00	41.47	41.47	0.142
Federal Nat'l Mtg. Assoc.				06/30/2010	124						
14957	FAD	02/26/2010	320,000.00	06/30/2010	124	319,845.69	320,000.00	0.00	154.31	154.31	0.142
Federal Nat'l Mtg. Assoc.				06/30/2010	124						
14958	FAD	02/26/2010	181,000.00	06/30/2010	124	180,912.72	181,000.00	0.00	87.28	87.28	0.142
Federal Nat'l Mtg. Assoc.				06/30/2010	124						
14959	FAD	02/26/2010	403,000.00	06/30/2010	124	402,805.66	403,000.00	0.00	194.34	194.34	0.142
Federal Nat'l Mtg. Assoc.				06/30/2010	124						
14960	FAD	02/26/2010	32,000.00	06/30/2010	124	31,984.57	32,000.00	0.00	15.43	15.43	0.142
Federal Nat'l Mtg. Assoc.				06/30/2010	124						
14961	FAD	02/26/2010	655,000.00	06/30/2010	124	654,684.15	655,000.00	0.00	315.85	315.85	0.142
Federal Nat'l Mtg. Assoc.				06/30/2010	124						
14962	FAD	02/26/2010	194,000.00	06/30/2010	124	193,906.45	194,000.00	0.00	93.55	93.55	0.142
Federal Nat'l Mtg. Assoc.				06/30/2010	124						

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**MSR Public Power Agency Trust**  
**Realized Gains and Losses**  
**Sales/Calls/Maturities: June 1, 2010 - June 30, 2010**

<u>Investment #</u>	<u>Inv. Type</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Sale Date</u>	<u>Days Held</u>						
<u>Issuer</u>			<u>Current Rate</u>	<u>Maturity Date</u>	<u>Term</u>	<u>Book Value</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>
14963	FAD	02/26/2010	67,000.00	06/30/2010	124	66,967.69	67,000.00	0.00	32.31	32.31	0.142
Federal Nat'l Mtg. Assoc.				06/30/2010	124						
14964	FAD	02/26/2010	491,000.00	06/30/2010	124	490,763.23	491,000.00	0.00	236.77	236.77	0.142
Federal Nat'l Mtg. Assoc.				06/30/2010	124						
14965	FAD	02/26/2010	56,000.00	06/30/2010	124	55,973.00	56,000.00	0.00	27.00	27.00	0.142
Federal Nat'l Mtg. Assoc.				06/30/2010	124						
<b>Total Realized Gains/Losses</b>						<b>10,814,888.50</b>	<b>10,818,000.00</b>	<b>0.00</b>	<b>3,111.50</b>	<b>3,111.50</b>	<b>0.124</b>



**MSR Public Power Agency Trust  
Investment Maturity Report  
Sorted by Maturity Date  
Amounts due during June 1, 2010 - June 30, 2010**

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
313385YNO	15046	5590	FAD	FHLB	221,000.00	06/25/2010	04/27/2010		220,960.16	39.84	221,000.00	39.84
313385YNO	15047	7261	FAD	FHLB	86,000.00	06/25/2010	04/27/2010		85,984.50	15.50	86,000.00	15.50
313385YNO	15048	7262	FAD	FHLB	319,000.00	06/25/2010	04/27/2010		318,942.49	57.51	319,000.00	57.51
313385YNO	15049	0741	FAD	FHLB	181,000.00	06/25/2010	04/27/2010		180,967.37	32.63	181,000.00	32.63
313385YNO	15050	0741	FAD	FHLB	401,000.00	06/25/2010	04/27/2010		400,927.71	72.29	401,000.00	72.29
313385YNO	15051	9001	FAD	FHLB	32,000.00	06/25/2010	04/27/2010		31,994.23	5.77	32,000.00	5.77
313385YNO	15052	9002	FAD	FHLB	655,000.00	06/25/2010	04/27/2010		654,881.92	118.08	655,000.00	118.08
313385YNO	15053	69001	FAD	FHLB	195,000.00	06/25/2010	04/27/2010		194,964.85	35.15	195,000.00	35.15
313385YNO	15054	69002	FAD	FHLB	67,000.00	06/25/2010	04/27/2010		66,987.92	12.08	67,000.00	12.08
313385YNO	15055	30001	FAD	FHLB	490,000.00	06/25/2010	04/27/2010		489,911.66	88.34	490,000.00	88.34
313385YNO	15056	30002	FAD	FHLB	57,000.00	06/25/2010	04/27/2010		56,989.72	10.28	57,000.00	10.28
313385YT7	15007	5590	FAD	FHLB	221,000.00	06/30/2010	03/26/2010		220,911.60	88.40	221,000.00	88.40
313385YT7	15008	7261	FAD	FHLB	86,000.00	06/30/2010	03/26/2010		85,965.60	34.40	86,000.00	34.40
313385YT7	15009	7262	FAD	FHLB	320,000.00	06/30/2010	03/26/2010		319,872.00	128.00	320,000.00	128.00
313385YT7	15010	0741	FAD	FHLB	181,000.00	06/30/2010	03/26/2010		180,927.60	72.40	181,000.00	72.40
313385YT7	15011	0741	FAD	FHLB	402,000.00	06/30/2010	03/26/2010		401,839.20	160.80	402,000.00	160.80
313385YT7	15012	9001	FAD	FHLB	33,000.00	06/30/2010	03/26/2010		32,986.80	13.20	33,000.00	13.20
313385YT7	15013	9002	FAD	FHLB	655,000.00	06/30/2010	03/26/2010		654,738.00	262.00	655,000.00	262.00
313385YT7	15014	69001	FAD	FHLB	194,000.00	06/30/2010	03/26/2010		193,922.40	77.60	194,000.00	77.60
313385YT7	15015	69002	FAD	FHLB	68,000.00	06/30/2010	03/26/2010		67,972.80	27.20	68,000.00	27.20
313385YT7	15016	30001	FAD	FHLB	490,000.00	06/30/2010	03/26/2010		489,804.00	196.00	490,000.00	196.00
313385YT7	15017	30002	FAD	FHLB	57,000.00	06/30/2010	03/26/2010		56,977.20	22.80	57,000.00	22.80
313385YT7	15166	5590	FAD	FHLB	221,000.00	06/30/2010	05/26/2010		220,980.64	19.36	221,000.00	19.36
313385YT7	15167	7261	FAD	FHLB	85,000.00	06/30/2010	05/26/2010		84,992.56	7.44	85,000.00	7.44
313385YT7	15168	7262	FAD	FHLB	319,000.00	06/30/2010	05/26/2010		318,972.09	27.91	319,000.00	27.91
313385YT7	15169	0741	FAD	FHLB	181,000.00	06/30/2010	05/26/2010		180,984.16	15.84	181,000.00	15.84
313385YT7	15170	0741	FAD	FHLB	401,000.00	06/30/2010	05/26/2010		400,964.92	35.08	401,000.00	35.08
313385YT7	15171	9001	FAD	FHLB	32,000.00	06/30/2010	05/26/2010		31,997.20	2.80	32,000.00	2.80
313385YT7	15172	9002	FAD	FHLB	655,000.00	06/30/2010	05/26/2010		654,942.69	57.31	655,000.00	57.31
313385YT7	15173	69001	FAD	FHLB	194,000.00	06/30/2010	05/26/2010		193,983.03	16.97	194,000.00	16.97
313385YT7	15174	69002	FAD	FHLB	67,000.00	06/30/2010	05/26/2010		66,994.14	5.86	67,000.00	5.86
313385YT7	15175	30001	FAD	FHLB	490,000.00	06/30/2010	05/26/2010		489,957.13	42.87	490,000.00	42.87
313385YT7	15176	30002	FAD	FHLB	56,000.00	06/30/2010	05/26/2010		55,995.10	4.90	56,000.00	4.90
313589YT4	14955	5590	FAD	FNMA	221,000.00	06/30/2010	02/26/2010		220,893.42	106.58	221,000.00	106.58
313589YT4	14956	7261	FAD	FNMA	86,000.00	06/30/2010	02/26/2010		85,958.53	41.47	86,000.00	41.47
313589YT4	14957	7262	FAD	FNMA	320,000.00	06/30/2010	02/26/2010		319,845.69	154.31	320,000.00	154.31
313589YT4	14958	0741	FAD	FNMA	181,000.00	06/30/2010	02/26/2010		180,912.72	87.28	181,000.00	87.28
313589YT4	14959	0741	FAD	FNMA	403,000.00	06/30/2010	02/26/2010		402,805.66	194.34	403,000.00	194.34

Portfolio MSRT  
CP



**MSR Public Power Agency Trust**  
**Investment Maturity Report**  
**Amounts due during June 1, 2010 - June 30, 2010**

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
313589YT4	14960	9001	FAD	FNMA	32,000.00	06/30/2010	02/26/2010		31,984.57	15.43	32,000.00	15.43
313589YT4	14961	9002	FAD	FNMA	655,000.00	06/30/2010	02/26/2010		654,684.15	315.85	655,000.00	315.85
313589YT4	14962	69001	FAD	FNMA	194,000.00	06/30/2010	02/26/2010		193,906.45	93.55	194,000.00	93.55
313589YT4	14963	69002	FAD	FNMA	67,000.00	06/30/2010	02/26/2010		66,967.69	32.31	67,000.00	32.31
313589YT4	14964	30001	FAD	FNMA	491,000.00	06/30/2010	02/26/2010		490,763.23	236.77	491,000.00	236.77
313589YT4	14965	30002	FAD	FNMA	56,000.00	06/30/2010	02/26/2010		55,973.00	27.00	56,000.00	27.00
<b>Total Maturities</b>					<b>10,818,000.00</b>				<b>10,814,888.50</b>	<b>3,111.50</b>	<b>10,818,000.00</b>	<b>3,111.50</b>



PROJECTS AND ACTIVITIES  
STATUS REPORTS

June 2010

Presented To Commission

July 28, 2010



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

**SAN JUAN UNIT 4 OPERATIONS**

May 2010

Net Generation (MWh)	335,090.1
Net Capacity Factor (%)	88.8

San Juan Generation Station (San Juan) Unit 4 experienced three short forced outages during May, totaling 8 hours. Unit 4 performed better than the other three units, actually lifting the station net capacity factor to 62%. Unit 3 completed its major maintenance outages on May 17 but was forced from service 114 hours after the outage was completed. Units 1 and 2 combined for 130 hours of forced outage in May. If there is a trend developing with the new Public Service Company of New Mexico (PNM) plant management team, it is that Units are taken off line more often, but the outages are usually short. Except for three separate repairs of tube leaks, all units were brought on-line the same day they were forced from service.

**SAN JUAN GENERATING STATION COMMITTEES**

The San Juan Coordinating Committee met on May 20, 2010 in Albuquerque, NM. The key issue of interest was the departure of Plant Manager, James McNicol. His superior, Pat Themig, indicated that McNicol was a "high-maintenance" employee and was seeking Themig's position and quit when he didn't get it.

PNM has agreed to have an independent audit performed of San Juan as the other San Juan Owners had discussed. The next phase is for the work scope to be developed and reviewed by the other San Juan Owners.

**RAW WATER LINE FROM RIVER TO LAKE**

PNM has established a project to replace the raw water line between the San Juan River and the Lake Reservoir next to San Juan. The cost of the 42-inch pipeline is estimated to cost \$11 Million. Expenditures would not begin before calendar 2011. The route for the new line parallels the existing route except it doesn't cross the Hunt family property.



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

**INTERCONNECTION REQUESTS FOR MEAD-PHOENIX**

The Mead-Phoenix Transmission Project (Mead-Phoenix) ad hoc Technical Committee has been processing three transmission requests for the interconnection of generation projects. Each of the projects maintains schedules that are roughly similar. Due to the proximity of timing, additional work needed to be performed to determine what additional facilities needed to be added to accommodate one, two, or all three projects depending upon the exact sequence of interconnection. Furthermore, one of the interconnection requests involves a solar project and notice was provided changing the technology to incorporate a photovoltaic concept. There is sufficient coordination between the project proponents that the added effort has not caused problems. Initial studies have shown that the interconnections can all be accomplished without significant impact; however, some compensation and metering equipment will need to be relocated (at project proponent expense.) Each project is over one year away from commercial operation.

**LONG-TERM GENERATOR INTERCONNECTION AGREEMENT (LGIA)**

The respective LGIA for the Mead-Phoenix and Mead-Adelanto Projects have both been completed and approved by their respective E&O Committees.

The process for the Mead-Adelanto LGIA was not without controversy. The City of Burbank (Burbank) objected to the approval of the LGIA as Burbank was concerned that project interconnectors would receive preferential right to schedule energy away from Adelanto Substation compared to Burbank and other Mead-Adelanto participants that receive energy through the Los Angeles Department of Water and Power (LADWP) system. This claim was made even though the LGIA specifically deals with interconnection of generation projects and no transmission is conferred. To approve the LGIA, a participant vote of 82.5% needed to be achieved. This level was met without approval from Burbank.



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

**BIG HORN OPERATION**

	<u>MWH</u>	<u>% of Expectation</u>
June 2010	50,247	89.5
Entire 2010	260,297	85.0
Project Life	1,991,622	90.3

Pursuant to the delivery arrangements associated with Big Horn 1, Iberdrola Renewables, Inc. (IBI) is only obligated to deliver up to 110% of the energy anticipated by adjusted energy projections for either light load hours or heavy load hours. The residual energy is deferred until future periods. When the 110% limit was reached in both April and May 2010, it was the first time since May 2009.

**BIG HORN MACHINES**

IBI staff has conducted a review of the performance of wind machines at Big Horn 1. IBI observed that there was reduced production in the entire Washington/Oregon region that paralleled that of Big Horn 1. IBI also reviewed similar machines performing in other regions (primarily Kansas) and found that similar machines were performing similarly under similar conditions. There is no evidence to conclude that there is a systemic issue associated with the particular wind machines at Big Horn 1.

**BIG HORN 2**

Over one-half of the turbines have arrived at the Big Horn 2 site. Installation is 10% complete; including 20% of the foundations poured and 20% of the turbine tops assembled. IBI is targeting November 1, 2010 as the date when all 25 wind machines will be commercial.

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

**Date:** July 12, 2010  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** July 2010 General Manager's Report

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### **GENERAL ISSUES:**

#### **California Legislation**

M-S-R PPA continues to follow only those bills which either directly impact our operations or which the members have requested M-S-R PPA to join in their own efforts. The bills we are primarily following include AB 2514 regarding energy storage devices which may be intended to integrate renewable energy resources and SB 722 regarding a 33% renewable resource requirement. AB 2514 will require POU's to study integration of energy storage devices and plan for their use where viable and cost-effective. Reporting on such studies would be an addition to currently required reports to the CEC on energy efficiency matters. Based on removal of prior objectionable language, we have removed our opposition to this bill.

The current draft of Senator Simitian's Renewable Portfolio Standard bill, SB 722, appears to protect early action such as Big Horn I and Big Horn II Projects and MID's Star Point Project. However, clarifications are still needed regarding the extension or renewal of such purchases. The bill contains restrictions on the future acquisition of out-of-state renewables and the use of purchased Renewable Energy Credits. At this time we are working with CMUA, NCPA and others to liberalize these requirements and protect the autonomy of POU Governing Boards regarding flexible compliance under local control. Concerns also remain regarding the ability of the California Air Resources Board (CARB) to fine and penalize POU's for failure to meet RPS targets. At this time we retain an "Oppose Unless Amended" position on the bill. Although the bill's next hearing has not yet been scheduled in the Assembly Appropriations Committee, we expect the bill to be finalized late in the session. The Independent Energy Producers (IEP) and the "Real Steel" coalition continue to offer complimentary amendments in support of our positions.

#### **GHG Reporting**

Our 2009 mandatory reports regarding greenhouse gas emissions to CARB have been completed and now require formal verification. Santa Clara has already engaged a CARB-qualified Verifier to

examine its 2008 reports including the San Juan and Big Horn Projects and we may be able to eliminate duplicative efforts and reduce costs by engaging the same verifier for M-S-R PPA.

### **CARB RES Comments**

Although the pending passage of SB 722 may render the Renewable Energy Standard program being developed by CARB in response to Governor Schwarzenegger's 2009 Executive Order duplicative, a draft final regulation is to be considered by the CARB Board on July 22 and 23, 2010. M-S-R PPA has submitted comments regarding the definition of eligible renewable resources, compliance periods and measurements, property rights pertaining to Renewable Energy Credits, and fines and the need for objective penalty criteria.

### **Clean Air Act Emission Allowances (Acid Rain Program)**

Under the Clean Air Act, allowances were issued for SO<sub>2</sub> emissions at facilities such as the San Juan Generating Station. As pollution control systems were improved over time, surplus allowances could be traded or sold into a market. Over the years M-S-R PPA accumulated about 20,000 tons of surplus allowances and developed a structured program for their sale. However, given the fluid nature of the market, M-S-R PPA took a conservative approach and did not budget for such sales revenues in its annual budgets. About two-years ago, with the court-ordered vacature of the EPA's Clean Air Interstate Rule, the market for the allowances started to collapse. Last week, the EPA announced a proposed successor rule that generally moves away from the existing allowance market to a command-and-control system with a new and limited allowance market. At their peak, allowances under the existing system sold at prices in excess of \$1,600 per ton, but traded most recently at about \$3 per ton. M-S-R PPA sold 1,000 tons of allowances at average prices of about \$463 per ton. At this time it appears there is no remaining market for these allowances, but we will continue to report developments to the Commission.

### **Finance Committee Activities**

On April 19, 2010, the Finance Committee issued an RFP for Investment Banking Services. Eleven responses were received May 17, 2010, and interviews were conducted with four short-listed candidates on July 7, 2010. Recommendations espoused by the interviewees spanned renewal of our existing letter of credit, refinancings under various scenarios for our Series 2008 M & N Bonds to obviate the need for the letter of credit, and refundings of our Series 2001 I Bonds. The Finance Committee and Financial Advisor are preparing an action plan for the next steps in this process.

### **Administrative and General Cost Allocations**

The Finance Committee and Staff Committee have, pursuant to Member request, commenced reviews of the methods and requirements by which the Agency allocates administrative and general costs to the Agency's projects and thence to its Members. A line item review of the M-S-R PPA

Budget to optimize placement of work activities has been completed and found that about 75% of the costs currently placed in our general administrative and general account should be directly allocated to our projects. Recommendations regarding equitable sharing of the remaining costs in the general account are being developed. Action items will be brought to future Commission meetings as needed. If Agreement modifications are required, Member governing body approvals will also be required. The current target for completion of this activity is September 2010 to allow all approved recommendations to be incorporated in the 2011 M-S-R PPA Budget. Alternatively, changes could be made effective July 1, 2011, to avoid impacts on Santa Clara and Redding's adopted fiscal 2010-2011 budgets.

### **TEP Operating Procedures**

The Tucson Electric Company (TEP) provides Reserve Sharing and Transmission Exchange Services to M-S-R PPA for the delivery of San Juan Project power from the station bus to Arizona. Operating Procedures were developed in 1995 for those activities. At a recent meeting with TEP to resolve some minor operational issues pertaining to tagging and curtailment, it was agreed that it would be timely to update the procedures to reflect changes in industry practices and regulatory requirements over the past fifteen years. These updates will specifically recognize the special nature of the Transmission Exchange where neither losses nor curtailments are permitted and address how TEP will seamlessly comply with these requirements in the modern transmission market.

### **Southwest Transmission Project**

Efforts continue with regard to conforming with regulatory requirements pertaining to the posting of transmission on open access information systems under pro-forma tariffs. A detailed work plan for the completion of an Open Access Transmission Tariff and the development of an OASIS site has been developed. The target date for implementation of these functions is January 1, 2011. Recommendations for consideration by the M-S-R PPA Commission will be presented this year fall.

### **BPA Rate Case**

The BPA 2011 Rate Case is underway and may, in its current form, have only moderate effect on transmission rates. Elements of the firming and shaping and delivery services for the Big Horn Projects have rate adjusters tied to the BPA transmission rate. Any resulting changes appear to be consistent with our previous forecasts and the M-S-R PPA Budget. However, it appears the Wind Integration Charge is at risk of substantial increase due to a political need to reduce the pressure on the Preference Firm rate charged to BPA's Northwest customers.



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

**Date:** July 19, 2010

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

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

**Subject:** Discussion and Possible Action Regarding Privacy Policy and Terms of Use For M-S-R PPA Web Site

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As discussed in Section II of the M-S-R PPA 2010 Strategic Plan adopted September 30, 2009, M-S-R PPA is constructing a web-site to provide public information, post notices, and facilitate communication among M-S-R members and staff. Before the web-site is posted, it is appropriate for M-S-R PPA to adopt terms of use and a privacy policy. Forms of these documents are attached to this memorandum.

I recommend the Commission adopt M-S-R Public Power Agency Privacy Statement and Terms Of Use Agreement Between User And M-S-R Public Power Agency in the forms attached and authorize the General Manager to update these documents from time to time to comply with industry practices and regulatory requirements.

Attachments:

1. M-S-R Public Power Agency Privacy Statement
2. Terms Of Use Agreement Between User And M-S-R Public Power Agency

## M-S-R PUBLIC POWER AGENCY PRIVACY STATEMENT

M-S-R Public Power Agency is committed to protecting your privacy and developing technology that gives you the most powerful and safe online experience. This Statement of Privacy applies to the M-S-R Public Power Agency Web site and governs data collection and usage. By using the M-S-R Public Power Agency website, you consent to the data practices described in this statement.

### **Collection of your Personal Information**

M-S-R Public Power Agency collects personally identifiable information, such as your e-mail address, name, home or work address or telephone number. M-S-R Public Power Agency also collects anonymous demographic information, which is not unique to you, such as your ZIP code, age, gender, preferences, interests and favorites.

There is also information about your computer hardware and software that is automatically collected by M-S-R Public Power Agency. This information can include: your IP address, browser type, domain names, access times and referring Web site addresses. This information is used by M-S-R Public Power Agency for the operation of the service, to maintain quality of the service, and to provide general statistics regarding use of the M-S-R Public Power Agency Web site.

Please keep in mind that if you directly disclose personally identifiable information or personally sensitive data through M-S-R Public Power Agency public message boards, this information may be collected and used by others. Note: M-S-R Public Power Agency does not read any of your private online communications.

M-S-R Public Power Agency encourages you to review the privacy statements of Web sites you choose to link to from M-S-R Public Power Agency so that you can understand how those Web sites collect, use and share your information. M-S-R Public Power Agency is not responsible for the privacy statements or other content on Web sites outside of the M-S-R Public Power Agency and M-S-R Public Power Agency family of Web sites.

### **Use of your Personal Information**

M-S-R Public Power Agency collects and uses your personal information to operate the M-S-R Public Power Agency Web site and deliver the services you have requested. M-S-R Public Power Agency also uses your personally identifiable information to inform you of other products or services available from M-S-R Public Power Agency and its affiliates. M-S-R Public Power Agency may also contact you via surveys to conduct research about your opinion of current services or of potential new services that may be offered.

M-S-R Public Power Agency does not sell, rent or lease its customer lists to third parties. M-S-R Public Power Agency may, from time to time, contact you on behalf of external business partners about a particular offering that may be of interest to you. In those cases, your unique personally identifiable information (e-mail, name, address, telephone number) is not transferred to the third party. In addition, M-S-R Public Power Agency may share data with trusted partners to help us perform statistical analysis, send you email or postal mail, provide customer support, or arrange for deliveries. All such third parties are prohibited from using your personal information except to provide these services to M-S-R Public Power Agency, and they are required to maintain the confidentiality of your information.

M-S-R Public Power Agency does not use or disclose sensitive personal information, such as race, religion, or political affiliations, without your explicit consent.

M-S-R Public Power Agency keeps track of the Web sites and pages our customers visit within M-S-R Public Power Agency, in order to determine what M-S-R Public Power Agency services are the most popular. This data is used to deliver customized content and advertising within M-S-R Public Power Agency to customers whose behavior indicates that they are interested in a particular subject area.

M-S-R Public Power Agency Web sites will disclose your personal information, without notice, only if required to do so by law or in the good faith belief that such action is necessary to: (a) conform to the edicts of the law or comply with legal process served on M-S-R Public Power Agency or the site; (b) protect and defend the rights or property of M-S-R Public Power Agency; and, (c) act under exigent circumstances to protect the personal safety of users of M-S-R Public Power Agency, or the public.

### **Use of Cookies**

The M-S-R Public Power Agency Web site use "cookies" to help you personalize your online experience. A cookie is a text file that is placed on your hard disk by a Web page server. Cookies cannot be used to run programs or deliver viruses to your computer. Cookies are uniquely assigned to you, and can only be read by a web server in the domain that issued the cookie to you.

One of the primary purposes of cookies is to provide a convenience feature to save you time. The purpose of a cookie is to tell the Web server that you have returned to a specific page. For example, if you personalize M-S-R Public Power Agency pages, or register with M-S-R Public Power Agency site or services, a cookie helps M-S-R Public Power Agency to recall your specific information on subsequent visits. This simplifies the process of recording your personal information, such as billing addresses, shipping addresses, and so on. When you return to the same M-S-R Public Power Agency Web site, the information you previously provided can be retrieved, so you can easily use the M-S-R Public Power Agency features that you customized.

You have the ability to accept or decline cookies. Most Web browsers automatically accept cookies, but you can usually modify your browser setting to decline cookies if you prefer. If you choose to decline cookies, you may not be able to fully experience the interactive features of the M-S-R Public Power Agency services or Web sites you visit.

### **Security of your Personal Information**

M-S-R Public Power Agency secures your personal information from unauthorized access, use or disclosure. M-S-R Public Power Agency secures the personally identifiable information you provide on computer servers in a controlled, secure environment, protected from unauthorized access, use or disclosure. When personal information (such as a credit card number) is transmitted to other Web sites, it is protected through the use of encryption, such as the Secure Socket Layer (SSL) protocol.

### **Changes to this Statement**

M-S-R Public Power Agency will occasionally update this Statement of Privacy to reflect agency and customer feedback. M-S-R Public Power Agency encourages you to periodically review this Statement to be informed of how M-S-R Public Power Agency is protecting your information.

### **Contact Information**

M-S-R Public Power Agency welcomes your comments regarding this Statement of Privacy. If you believe that M-S-R Public Power Agency has not adhered to this Statement, please contact M-S-R Public Power Agency at [admin@msrpower.com](mailto:admin@msrpower.com). We will use commercially reasonable efforts to promptly determine and remedy the problem.

## **TERMS OF USE AGREEMENT BETWEEN USER AND M-S-R PUBLIC POWER AGENCY**

The M-S-R Public Power Agency Web Site is comprised of various Web pages operated by M-S-R Public Power Agency.

The M-S-R Public Power Agency Web Site is offered to you conditioned on your acceptance without modification of the terms, conditions, and notices contained herein. Your use of the M-S-R Public Power Agency Web Site constitutes your agreement to all such terms, conditions, and notices.

### **MODIFICATION OF THESE TERMS OF USE**

M-S-R Public Power Agency reserves the right to change the terms, conditions, and notices under which the M-S-R Public Power Agency Web Site is offered, including but not limited to the charges associated with the use of the M-S-R Public Power Agency Web Site.

### **LINKS TO THIRD PARTY SITES**

The M-S-R Public Power Agency Web Site may contain links to other Web Sites ("Linked Sites"). The Linked Sites are not under the control of M-S-R Public Power Agency and M-S-R Public Power Agency is not responsible for the contents of any Linked Site, including without limitation any link contained in a Linked Site, or any changes or updates to a Linked Site. M-S-R Public Power Agency is not responsible for webcasting or any other form of transmission received from any Linked Site. M-S-R Public Power Agency is providing these links to you only as a convenience, and the inclusion of any link does not imply endorsement by M-S-R Public Power Agency of the site or any association with its operators.

### **NO UNLAWFUL OR PROHIBITED USE**

As a condition of your use of the M-S-R Public Power Agency Web Site, you warrant to M-S-R Public Power Agency that you will not use the M-S-R Public Power Agency Web Site for any purpose that is unlawful or prohibited by these terms, conditions, and notices. You may not use the M-S-R Public Power Agency Web Site in any manner which could damage, disable, overburden, or impair the M-S-R Public Power Agency Web Site or interfere with any other party's use and enjoyment of the M-S-R Public Power Agency Web Site. You may not obtain or attempt to obtain any materials or information through any means not intentionally made available or provided for through the M-S-R Public Power Agency Web Sites.

### **USE OF COMMUNICATION SERVICES**

The M-S-R Public Power Agency Web Site may contain bulletin board services, chat areas, news groups, forums, communities, personal web pages, calendars, and/or other message or communication facilities designed to enable you to communicate with the public at large or with a group (collectively, "Communication Services"), you agree to use the Communication Services only to post, send and receive messages and material that are proper and related to the particular Communication Service. By way of example, and not as a limitation, you agree that when using a Communication Service, you will not:

- Defame, abuse, harass, stalk, threaten or otherwise violate the legal rights (such as rights of privacy and publicity) of others.
- Publish, post, upload, distribute or disseminate any inappropriate, profane, defamatory, infringing, obscene, indecent or unlawful topic, name, material or information.
- Upload files that contain software or other material protected by intellectual property laws (or by rights of privacy or publicity) unless you own or control the rights thereto or have received all necessary consents.
- Upload files that contain viruses, corrupted files, or any other similar software or programs that may damage the operation of another's computer.
- Advertise or offer to sell or buy any goods or services for any business purpose, unless such Communication Service specifically allows such messages.
- Conduct or forward surveys, contests, pyramid schemes or chain letters.

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- Falsify or delete any author attributions, legal or other proper notices or proprietary designations or labels of the origin or source of software or other material contained in a file that is uploaded.
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- Violate any code of conduct or other guidelines which may be applicable for any particular Communication Service.
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No compensation will be paid with respect to the use of your Submission, as provided herein. M-S-R Public Power Agency is under no obligation to post or use any Submission you may provide and may remove any Submission at any time in M-S-R Public Power Agency's sole discretion.

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SERVICE CONTACT : [admin@msrpower.com](mailto:admin@msrpower.com)

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**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.