

MINUTES OF THE MAY 19, 2005
REGULAR MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

A regular meeting of the Board of Directors was held on May 19, 2005, at the offices of the Authority, 225 South Lake Avenue, Suite 1250, Pasadena, California.

The meeting was called to order at 10:35 a.m. by President Phyllis E. Currie.

The following Board members (M) and alternates (A) were present and acting in their capacity as representative for their utility: Kenneth S. Noller, Anaheim (A); Joseph F. Hsu, Azusa, (M); Paul Toor, Banning (M); James Earhart, Colton (A); Ronald E. Davis, Burbank (M); Ignacio R. Troncoso, Glendale (M); Glenn O. Steiger, Imperial (M); Ronald O. Vazquez, Los Angeles (M); Phyllis E. Currie, Pasadena (M); David H. Wright, Riverside (M); Charles W. Montoya, Vernon (A).

Staff present were: Executive Director Bill D. Carnahan; SCPPA staff members Phyllis H. Brown, Steven L. Homer, Richard M. Helgeson, Craig A. Koehler, Geri L. Mitchell; and Manuel A. Robledo; and Joan Ilagan, SCPPA Bonds and Investments.

Attorneys and consultants present included: Stephen Cole, Fulbright & Jaworski, and Erika Curls-Bartling, of Niesar Curls Bartling.

Also present was Thomas Doughty, California ISO.

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

President Currie afforded the public an opportunity to address the Board.

2. Approval of Minutes

Mr. Davis moved to approve the minutes of the Regular Meeting held April 21, 2005. The motion was seconded by Mr. Wright, and unanimously approved.

3. Executive Director's Report

Mr. Carnahan referenced his written report and discussed the highlights, including plans for the Congressional Staff Tour, and the upcoming Magnolia Power Project Dedication Ceremony.

4. Finance and Accounting Manager's Report

Mr. Koehler reported on the May 2, 2005, meeting of the Finance Committee, and presented the Financial Statements and Investment Report for the month ended March 2005.

Mr. Koehler reported on the closing of the San Juan Unit 3 refunding, which yielded a Net Present Value saving of \$6.7 million, or 9.42%.

Mr. Koehler reported on the current negative watch for AIG. No action is recommended at this time.

Mr. Koehler reported on the schedule for review of existing consultants. The Finance Committee recommends that a Request for Proposals for Financial Advisory Services be issued as scheduled, and that the current contract with Public Financial Management be extended to September 30, 2005.

Mr. Koehler presented Resolution No. 2005-14, approving the Authority's Administrative and General Budget for Fiscal Year 2005/06. Mr. Steiger moved that Resolution No. 2005-14 be approved. The motion was seconded by Mr. Davis and unanimously approved by Roll Call Vote, with Cerritos absent.

Mr. Koehler presented Resolution No. 2005-15, authorizing collection of funds for Legislative Advocacy – General, for Fiscal Year 2005/06. Mr. Wright moved that Resolution No. 2005-15 be approved. The motion was seconded by Mr. Montoya and unanimously approved by Roll Call Vote, with Cerritos absent.

Mr. Koehler presented Resolution No. 2005-16, authorizing collection of funds for Legislative Advocacy – Government Affairs (Sacramento), for Fiscal Year 2005/06. Mr. Wright moved that Resolution No. 2005-16 be approved as amended to adjust the GWHs on the attachment, which would change the allocation percentages. The motion was seconded by Mr. Hsu and unanimously approved by Roll Call Vote, with Cerritos absent and Los Angeles abstaining.

Mr. Koehler presented Resolution No. 2005-17, authorizing collection of funds for the Restructuring Account, for Fiscal Year 2005/06. Mr. Davis moved that Resolution No. 2005-17 be approved as amended to adjust the GWHs on the attachment, which would change the allocation percentage. The motion was seconded by Mr. Troncoso and unanimously approved by Roll Call Vote, with Cerritos absent.

Mr. Koehler reported on the May 5, 2005, meeting of the Ad Hoc Customer Service Committee.

5. Energy Systems Manager's Report

Mr. Robledo referenced his written report, and reported on meetings of the Resource Planning Group and the Public Benefits Committee, including status of the landfill gas project, gas reserves project, and the Ormat geothermal project.

Mr. Robledo presented Resolution No. 2005-18, authorizing the issuance of the Gas Acquisition Project bonds and related agreements. Mr. Troncoso moved that Resolution No. 2005-18 be approved as amended. The motion was seconded by Mr. Noller and approved by Project Roll Call Vote, with Cerritos absent, Azusa, Banning, Burbank, Imperial, Riverside, and Vernon present but not voting, and Los Angeles abstaining.

Mr. Robledo reported on the May 4, 2005, meeting of the Public Benefits Committee, and discussed developing a common response to questions raised by the Natural Resources Defense Council regarding the use of public benefit funds.

6. Government Affairs Manager's Report

Ms. Brown updated her written report, and discussed legislative activities in Sacramento and Washington, D.C., and the upcoming Congressional Staff Tour.

7. Project Administrator's Report

Mr. Homer referenced the written reports and reported on current issues at the projects.

Mr. Homer presented Resolution No. 2005-13, approving an amended budget for the Magnolia Power Project for Fiscal Year 2004/05. Mr. Troncoso moved that Resolution No. 2005-13 be approved. The motion was seconded by Mr. Earhart and approved by Project Roll Call vote, with Cerritos absent, Azusa, Banning, Imperial, Riverside, and Vernon present but not voting, and Los Angeles abstaining.

Mr. Homer presented Resolution No. 2005-19, approving the budget for the Magnolia Power Project for Fiscal Year 2005/06. Mr. Troncoso moved that Resolution No. 2005-18 be approved. The motion was seconded by Mr. Noller and approved by Project Roll Call vote, with Cerritos absent, Azusa, Banning, Imperial, Riverside, and Vernon present but not voting, and Los Angeles abstaining.

Mr. Homer presented Resolution No. 2005-20, approving the budget for the Mead-Adelanto Project for Fiscal Year 2005/06. Mr. Davis moved that Resolution No. 2005-20 be approved. The motion was seconded by Mr. Hsu and approved by Project Roll Call vote, with Cerritos absent and Vernon present but not voting.

Mr. Homer presented Resolution No. 2005-21, approving the budget for the Mead-Phoenix Project for Fiscal Year 2005/06. Mr. Vazquez moved that Resolution No. 2005-21 be approved. The motion was seconded by Mr. Wright and approved by Project Roll Call vote, with Cerritos absent and Vernon present but not voting.

Mr. Homer presented Resolution No. 2005-22, approving the budget for the Palo Verde Project for Fiscal Year 2005/06. Mr. Troncoso moved that Resolution No. 2005-22 be approved. The motion was seconded by Mr. Davis and approved by Project Roll Call vote, with Cerritos absent and Anaheim present but not voting.

Mr. Homer presented Resolution No. 2005-23, approving the budget for the San Juan Unit 3 Project for Fiscal Year 2005/06. Mr. Hsu moved that Resolution No. 2005-23 be approved. The motion was seconded by Mr. Steiger and approved by Project Roll Call vote, with Cerritos absent, and Burbank, Pasadena, Riverside, and Vernon present but not voting, and Los Angeles abstaining.

Mr. Homer presented Resolution No. 2005-24, approving the budget for the Southern Transmission System Project for Fiscal Year 2005/06. Mr. Davis moved that Resolution No. 2005-24 be approved. The motion was seconded by Mr. Troncoso and approved by Project Roll Call vote, with Cerritos absent, and Azusa, Banning, and Vernon present but not voting, and Imperial abstaining.

8. California Independent System Operator

Mr. Doughty thanked the Board for the open discussion last month with Yakout Mansour, the new Chief Executive Officer of the California Independent System Operator. He assured the Board that their comments were being taken seriously, and reported that under the new policy, there would be no rolling blackouts assigned to utilities that were fully resourced. He also noted that a new stakeholder process was under development.

9. Adjournment

There being no further business, the meeting was adjourned at 12:02 p.m.

Respectfully submitted,



Robert K. Rozanski
Assistant Secretary