

MINUTES OF THE JULY 21, 2005
REGULAR MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

A regular meeting of the Board of Directors was held on July 21, 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); Vince Brar, Cerritos (A); Jeannette Olko, Colton (M); 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); Gary Nolff, Riverside (A); Charles W. Montoya, Vernon (A).

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

Attorneys and consultants present included: Stephen T. Cole, Fulbright & Jaworski; and Oscar Escobar, Niesar-Curls Bartling.

Also present was Yakout Mansour, 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. Cal ISO

Mr. Yakout Mansour, Chief Executive Officer of the California Independent System Operator, updated the Board on recent activities impacting the members. He discussed developments regarding cost reduction efforts, rolling blackouts, and long-term transmission rights, and promised a continuing dialogue with SCPPA members.

3. Approval of Minutes

Mr. Steiger moved to approve the minutes of the regular meeting held May19, 2005, as amended, and the special meeting of June 23, 2005. The motion was seconded by Mr. Troncoso, and unanimously approved.

4. Executive Director's Report

Mr. Carnahan referenced his written report and discussed the highlights, including plans for the SCPPA Annual Meeting, and the completion of the Natural Gas Project.

Mr. Carnahan presented Resolution No. 2005-26, which commends SCPPA staff, in particular Mr. Manuel Robledo and Mr. Richard Helgeson, Mr. Randy Howard of LADWP, and Mr. Thomas King of Turlock Irrigation District, for their work bringing the Natural Gas Acquisition Project purchase to completion. Mr. Toor moved that Resolution No. 2005-26 be approved. The motion was seconded by Mr. Davis, and unanimously approved.

5. Finance and Accounting Manager's Report

Mr. Koehler reported on the July 11, 2005, meeting of the Finance Committee, and presented the Financial Statements for the quarter ended March 31, 2005, and Investment Reports for the quarter ended March 31, 2005, and the months of April and May, 2005. He also presented the Swap Valuation Report for the quarter ended March 31, 2005.

Mr. Koehler reported on the July 13, 2005, meeting of the Customer Service Committee, and the status of their benchmarking project.

Mr. Koehler presented Resolution No. 2005-27, approving execution of a Fiscal Agency Agreement with U.S. Bank for the Natural Gas Project. Ms. Olko moved that Resolution No. 2005-27 be approved. The motion was seconded by Mr. Troncoso and approved by Project Roll Call Vote, with Azusa, Banning, Cerritos, Imperial, Riverside, and Vernon present but not voting.

6. Energy Systems Manager's Report

Mr. Robledo referenced his written report, and reported on meetings of the Public Benefits Committee, including status of the Landfill Gas-to-Energy Project, and the Ormat Geothermal Project.

Mr. Robledo presented Resolution No. 2005-28, authorizing a license agreement with Apogee Interactive for an internet-based energy content and self-audit system on behalf of certain members. Mr. Nolff moved that resolution No. 2005-28 be approved. The motion was seconded by Ms. Olko, and unanimously approved.

Mr. Robledo presented Resolution No. 2005-29, authorizing a training services agreement with Occidental College on behalf of certain members. Mr. Vazquez moved that Resolution No. 2005-29 be approved. The motion was seconded by Mr. Toor, and unanimously approved.

Mr. Robledo reported on transition activities for the Natural Gas Reserves Project and the development of a new Request For Proposals for Renewable Resources. He also discussed a draft response to the Natural Resources Defense Council.

7. Government Affairs Manager's Report

Ms. Brown updated her written report, and discussed legislative activities in Sacramento and Washington, D.C.

8. Project Administrator's Report

Mr. Homer referenced the written reports and reported on current issues at the projects, and presented the quarterly budget reconciliations for all the projects for the quarter ended March 31, 2005.

9. Closed Session

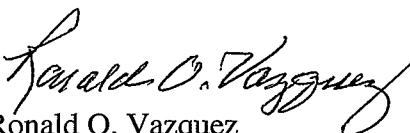
At this point the, Board went into Closed Session to confer with legal counsel with respect to litigation in County of San Bernardino v. Southern California Public Power Authority et al., San Bernardino County Superior Court case number BCV 07601, which is a condemnation action affecting certain property rights with respect to the Mead-Adelanto Transmission Line.

Upon returning to open session, the General Counsel announced that, pursuant to the provisions of Section 54957.1 of the California Government Code, there was no final reportable action to report at the current time.

10. Adjournment

There being no further business, the meeting was adjourned at 12:52 p.m.

Respectfully submitted,


Ronald O. Vazquez
Secretary