

MINUTES OF THE DECEMBER 15, 2005
REGULAR MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

A regular meeting of the Board of Directors was held on December 15, 2005, at the Westin Hotel, 191 North Los Robles Avenue, Pasadena, California.

The meeting was called to order at 10:37 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: Mark Mazak, Anaheim (A); Joseph F. Hsu, Azusa, (M); James Earhart, Banning (M); Ronald E. Davis, Burbank (M); Vince Brar, Cerritos (A); Jeannette Olko, Colton (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).

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; Therese Savery, Manager of SCPPA Accounting; and Matthew Curtis, SCPPA Bonds and Investments.

Attorneys and consultants present included: Stephen Cole, Fulbright & Jaworski; Travis Gibbs, Nixon Peabody; and Erica Curls-Bartling, Niesar Curls Bartling.

Also present were Deborah Sliz, Morgan Meguire; and Randy Zwetzig, Greg Miller, and Greg Tropsa, Ice Energy.

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. Troncoso moved to approve the minutes of the Regular Meeting held November 17, 2005. The motion was seconded by Mr. Hsu, and unanimously approved.

3. Executive Director's Report

Mr. Carnahan referenced his written report and discussed the highlights. He announced the distribution of the SCPPA Annual Report for fiscal year 2004/05, and discussed plans for a strategic planning session to be held following the January Board meeting.

President Currie discussed talking points from the California Assembly Republican Caucus.

Mr. Carnahan and President Currie presented and honorary resolution to Richard Corbi for his contributions to the Finance Committee and Board of Directors as he retires from Burbank Water and Power. Mr. Troncoso moved that the resolution be approved. The motion was seconded by Mr. Brar and unanimously approved.

Mr. Carnahan presented Resolution No. 3005-37, authorizing the final settlement agreement and easement deed on the Fort Irwin Road expansion related to the Mead-Adelanto Transmission Project right-of-way. Mr. Davis moved that Resolution No. 2005-37 be approved. The motion was seconded by Mr. Steiger and approved by project roll call vote, with Vernon absent, and Cerritos present but not voting.

4. Finance and Accounting Manager's Report

Mr. Koehler reported on the December 5, 2005, meeting of the Finance Committee, and presented the Investment Reports for the month of October, and the quarter ended September 30, 2005, and the unaudited Financial Statements for the quarter ended September 30, 2005.

Mr. Koehler presented Resolution No. 2005-38, consenting to the assignment of remarketing agreements related to the Southern Transmission System. Mr. Vazquez moved that Resolution No. 2005-38 be approved. The motion was seconded by Mr. Troncoso and approved by project roll call vote, with Vernon absent, and Azusa, Banning, Cerritos, and Colton present but not voting.

Mr. Koehler presented Resolution No. 2005-39, authorizing Bond and Tax Counsel legal services agreements with Fulbright & Jaworski. Mr. Mazak moved that Resolution No. 2005-39 be approved. The motion was seconded by Mr. Hsu and unanimously approved.

Mr. Koehler presented Resolution No. 2005-40, authorizing a Co-Bond Counsel legal services agreement with Niesar-Curls Bartling. Mr. Vazquez moved that Resolution No. 2005-40 be approved. The motion was seconded by Mr. Troncoso and unanimously approved.

Mr. Koehler presented Resolution No. 2005-41, authorizing a Special Tax Counsel legal services agreement with Nixon Peabody. Mr. Wright moved that Resolution No. 2005-41 be approved. The motion was seconded by Mr. Troncoso and unanimously approved.

5. 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, the Request for Proposals for Renewable Energy Projects, and the Ormat Geothermal Project.

Mr. Robledo presented Resolution No. 2005-42, authorizing SCPA to subscribe to Platts Mark-to-Market benchmarking service to provide forward gas and power market prices to participating members. Mr. Troncoso moved that Resolution No. 2005-42 be approved. The motion was seconded by Mr. Brar and unanimously approved.

Mr. Robledo reported on the status of the Request for Proposals for Renewable Energy Projects, and a separate Request for Proposals for Energy Trading and Risk Management Services. He also discussed the status of the Innovative Electric Technology Program.

Mr. Klinkner spoke regarding a proposed Integrated Resource Planning Energy Policy Summit.

Greg Tropsa, Greg Miller, and Randy Zwetzig, from Ice Energy, made a presentation on the Ice Bear Thermal Energy Storage Demonstration Project.

6. Government Affairs Manager's Report

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

7. Project Administrator's Report

Mr. Homer referenced the written reports and reported on current issues at the projects. He also presented Budget Comparison Reports for the Mead-Phoenix, Mead-Adelanto, San Juan Unit 3, Palo Verde, Southern Transmission System, and Hoover Uprating Projects, for the period ended September 30, 2005.

At this point, the Board recessed for lunch.

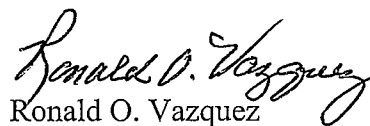
8. Legislative Briefing

Following lunch, the Board was briefed by Deborah Sliz, of Morgan Meguire, on recent elections, the Energy Policy Act of 2005, and the impact on public power of pending legislative and regulatory activities at the Federal level.

9. Adjournment

There being no further business, the meeting was adjourned at 1:55 p.m.

Respectfully submitted,


Ronald O. Vazquez
Secretary