

MINUTES OF THE MAY 20, 2004
REGULAR MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

A regular meeting of the Board of Directors was held on May 20, 2004, at the offices of the Authority, 225 South Lake Avenue, Suite 1250, Pasadena, California.

The meeting was called to order at 10:36 a.m. by President Ronald E. Davis.

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); Ronald E. Davis, Burbank (M); Thomas K. Clarke, Colton (M); Ruwen Liu, Glendale (A); Glenn O. Steiger, Imperial Irrigation District (M); Ronald O. Vazquez, Los Angeles (M); Phyllis E. Currie, Pasadena (M); Thomas P. Evans, Riverside (M); Charles W. Montoya, Vernon (A).

Staff present were: Executive Director Bill D. Carnahan; SCPPA staff members Phyllis H. Brown, Steven L. Homer, Craig A. Koehler, Geri L. Mitchell, and Manuel A. Robledo; Luan Nguyen, LADWP Nuclear Group; and Therese Savery, LADWP SCPPA Finance and Accounting.

Attorneys and consultants present included: Stephen Cole of Fulbright & Jaworski; Ericka Curls-Bartling of Curls Bartling.

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

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

2. Approval of Minutes

Ms. Currie moved to approve the minutes of the Regular Meeting held April 15, 2004. The motion was seconded by Mr. Vazquez, and unanimously approved.

3. Executive Director's Report

Mr. Carnahan referenced his written report, and discussed the highlights. He discussed plans for the 2004 Congressional Staff Tour, and the status of the Request for Qualifications and Proposals for General Counsel.

Mr. Carnahan presented Resolution No. 2004-12, authorizing delegation of authority to select General Counsel for the Authority. Mr. Evans moved that Resolution No. 2004-12 be approved. The motion was seconded by Mr. Hsu and unanimously approved.

4. Finance and Accounting Manager's Report

Mr. Koehler reported on the May 3, 2004, meeting of the Finance Committee, including the projected results of the Mead-Phoenix/Mead-Adelanto refinancing. He also presented the Financial Statements and the Investment Report for the quarter ending March 31, 2004, for receipt and filing.

Mr. Koehler presented Resolution No. 2004-13, approving the Administrative and General Expense Budget. Mr. Clarke moved that Resolution No. 2004-13 be approved. The resolution was seconded by Mr. Montoya and unanimously approved.

Mr. Koehler presented Resolution No. 2004-114, approving the Legislative Advocacy – General Budget. Mr. Vazquez moved that Resolution No. 2004-14 be approved. The motion was seconded by Ms. Currie, and unanimously approved.

Mr. Koehler moved that Resolution No. 2004-15, approving the Legislative Advocacy – Government Affairs Budget (Sacramento) be approved. Mr. Hsu moved that Resolution No. 2004-15 be approved. The motion was seconded by Mr. Toor and unanimously approved.

Mr. Koehler presented Resolution No. 2004-16, approving the Restructuring (Regulatory) Budget. Ms. Currie moved that Resolution No. 2004-16 be approved. The motion was seconded by Mr. Steiger and unanimously approved.

Mr. Koehler reported on the May 13, 2004, meeting of the Ad Hoc Customer Service Committee.

Mr. Koehler presented Resolution No. 2004-17, approving an agreement with R.W. Beck to provide SCE retail rate forecast services for Anaheim and Pasadena. Ms. Currie moved that Resolution No. 2004-17 be approved. The motion was seconded by Mr. Noller and unanimously approved.

5. Energy Systems Manager's Report

Mr. Robledo referenced his written report, and reported on meetings of the Resource Planning and Public Benefits Committees, including status of the landfill gas and gas reserves projects. The updated Summary of Public Benefits Programs was distributed.

Mr. Robledo presented Resolution No. 2004-18, declaring a new study project, and authorizing the execution of a Natural Gas Project Development Agreement among the Authority, Anaheim, Burbank, Colton, Glendale Los Angeles, Pasadena, Redding, the Turlock Irrigation District and the Southern Nevada Water Authority. Mr. Toor moved that Resolution No. 2004-18 be approved. The motion was seconded by Mr. Noller and unanimously approved, with Riverside abstaining.

At this point (11:25 a.m.) the meeting was interrupted by a fire drill. The meeting recessed while all present left the building. The meeting resumed at 11:45 a.m., with several items being taken out of order.

Mr. Robledo presented Resolution No. 2004-19, authorizing work to begin on a financing for the acquisition of natural gas reserves. Mr. Clarke moved that Resolution No. 2004-19 be approved. The motion was seconded by Mr. Noller and approved by Gas Project Roll Call Vote, with Cerritos absent, Vernon present but not voting, and Azusa, Banning, Imperial and Riverside abstaining.

Mr. Koehler presented Resolution No. 2004-20, authorizing an agreement with Manatt Phelps & Phillips for legal services related to the Natural Gas Reserves Study Project. Ms. Currie moved that Resolution No. 2004-20 be approved. The motion was seconded by Mr. Vazquez and approved by Gas Project Roll Call Vote, with Cerritos absent, Azusa and Vernon present but not voting, and Banning, Imperial and Pasadena abstaining.

6. Government Affairs Manager's Report

Ms. Brown reported on legislative activities in Sacramento and Washington, D.C., and discussed plans for the upcoming Congressional Staff Tour.

7. Project Administrator's Report

Mr. Homer referenced the written reports and reported on current issues at the projects, including the completion of planned outages at both Palo Verde and San Juan Unit 3.

Mr. Homer presented the Quarterly Budget Comparisons for the quarter ending March 31 for Palo Verde, San Juan, Hoover, STS, Mead-Adelanto and Mead-Phoenix.

Mr. Homer presented Resolution No. 2004-21, approving the budget for the Mead-Adelanto Project. Mr. Hsu moved that Resolution No. 2004-21 be approved. The motion was seconded by Mr. Montoya and approved by Project Roll Call Vote, with Cerritos absent.

Mr. Homer presented Resolution No. 2004-22, approving the budget for the Mead-Phoenix Project. Mr. Clarke moved that Resolution No. 2004-22 be approved. The motion was seconded by Mr. Toor and approved by Project Roll Call Vote, with Cerritos absent and Imperial present but not voting.

Mr. Homer presented Resolution No. 2004-23, approving the budget for the Palo Verde Project. Ms. Currie moved that Resolution No. 2004-23 be approved. The motion was seconded by Mr. Vazquez and approved by Project Roll Call Vote, with Cerritos absent and Anaheim present but not voting.

Mr. Homer presented Resolution No. 2004-24, approving the budget for the San Juan Unit 3 Project. Mr. Hsu moved that Resolution No. 2004-24 be approved. The motion was seconded by Mr. Toor, and approved by Project Roll Call Vote, with Cerritos absent, Anaheim, Burbank, Pasadena, and Vernon present but not voting, and Los Angeles and Riverside abstaining.

Mr. Homer presented Resolution No. 2004-25, approving the budget for the Southern Transmission System Project. He noted that the budget being approved was different to the one mailed out due to last minute changes received from Intermountain. The budget to be

approved was in the Board Folders and was marked "Final Version" in the upper right corner of the cover page. Mr. Vazquez moved that Resolution No. 2004-25 be approved. The motion was seconded by Ms. Currie and approved by Project Roll Call Vote, with Cerritos absent, and Azusa, Banning, Colton, Imperial and Vernon present but not voting.

8. Closed Session

At this point the Board went into closed session to discuss the terms of the employment agreement with the Executive Director.

Upon returning to open session, President Davis announced that a new contract was approved.

9. Adjournment

There being no further business, the meeting was adjourned at 2:02 p.m.

Respectfully submitted,



Robert K. Rozanski
Assistant Secretary