

MINUTES OF THE SEPTEMBER 16, 2004
REGULAR MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

A regular meeting of the Board of Directors was held on September 16, 2004, at the offices of the Authority, 225 South Lake Avenue, Suite 1250, Pasadena, California.

The meeting was called to order at 10:42 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 Noller, Anaheim (A); Joseph F. Hsu, Azusa, (M); Paul Toor, Banning (M); Ronald E. Davis, Burbank (M); Vince Brar, Cerritos (A); Ignacio R. Troncoso, Glendale (M); Ronald O. Vazquez, Los Angeles (M); N. Jay Panzica, Pasadena (A); Donna Stevener, 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; Therese Savery, Manager of SCPPA Accounting; Joan Ilagan, LADWP/SCPPA Finance and Accounting; and Luan Nguyen, LADWP Nuclear Group.

Attorneys and consultants present included: Stephen Cole, Fulbright & Jaworski.

Also present were Gerald R. Zimmerman and Christopher S. Harris, of the State of California Colorado River Board.

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

Mr. Hsu moved to approve the minutes of the Regular Meeting held August 19, 2004. The motion was seconded by Mr. Montoya, and unanimously approved.

3. Executive Director's Report

Mr. Carnahan referenced his written report, and discussed the highlights. He updated the Board on the American Public Power Association seminar on Federal Energy Regulatory Commission and Regional Transmission Organization issues in Washington, D.C.

Mr. Carnahan discussed plans for the annual strategic planning meeting, to be held October 19-22, 2004, in La Quinta.

4. Finance and Accounting Manager's Report

Mr. Koehler presented the annual report and audited financial statements for the period July 1, 2003, through June 30, 2004, in substantially their final form. President Davis complimented the document on its improved readability. Mr. Vazquez moved that the Board receive and file the audited financial statements. The motion was seconded by Mr. Panzica and unanimously approved.

Mr. Koehler reported on the September 7, 2004, meeting of the Finance Committee, and presented the Investment Report for the month of July, 2004, for receipt and filing.

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 to Energy and Natural Gas Reserves projects.

Mr. Robledo presented Resolution No. 2004-29, authorizing a consulting agreement with Phoenix Consulting to provide an educational workshop regarding the California Independent System Operator's Market Redesign and Technology Upgrade. Mr. Montoya moved that Resolution No. 2004-29 be approved. The motion was seconded by Mr. Toor and unanimously approved.

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.

Mr. Homer presented Resolution No. 2004-30, approving the annual budget for the Hoover Uprating Project for Fiscal Year 2004/05. Mr. Hsu moved that Resolution No. 2004-30 be approved. The motion was seconded by Mr. Panzica and approved by Project Roll Call Vote, with Cerritos and Glendale present but not voting, Los Angeles abstaining, and Imperial and Vernon absent.

At this point, the Board recessed for lunch.

8. Lower Colorado Multi-Species Conservation Program Cost Sharing Agreement

Following lunch, Mr. Zimmerman and Mr. Harris, from the Colorado River Board of California, provided an overview of the status of the Lower Colorado River Multi-Species Conservation Program and its funding requirements.

Discussion followed regarding appropriate methods of determining cost sharing levels among the Federal Government, water users, power users, recreational users, etc. The Board also discussed various possibilities of collection, including asking Western to add the cost to the power bills, paying through SCPPA for all members, or just the SCPPA-financed upraters. Further discussion and eventual negotiations will be needed.

9. **Adjournment**

There being no further business, the meeting was adjourned at 1:52 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Rozanski", with a stylized flourish at the end.

Robert K. Rozanski
Assistant Secretary