

MINUTES OF THE JANUARY 16, 2003
REGULAR MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

A regular meeting of the Board of Directors was held on December 19, 2002, at the Westin Hotel Pasadena, 191 North Los Robles Avenue, Pasadena, California.

The meeting was called to order at 10:09 a.m. by President Kenneth J. DeDario.

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); Frederic C. Fletcher, Burbank (A); Vince Brar, Cerritos (A); Thomas K. Clarke, Colton (M); Ignacio R. Troncoso, Glendale (M) (left at 1:25 p.m.) Lawrence Silva, Glendale (A); Kristine K. Fontaine, Imperial Irrigation District (M); Ronald O. Vazquez, Los Angeles (M); Phyllis E. Currie, Pasadena (M); Thomas P. Evans, Riverside (M); and Kenneth J. DeDario, Vernon (M).

Staff present were: Executive Director Bill D. Carnahan; SCPPA staff members Steven L. Homer, Manuel A. Robledo, Phyllis H. Brown, and Geri L. Mitchell; Consulting Financial Manager, Greg Leddy.

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

Also present were Gerald Jordan of the California Municipal Utilities Association and Anthony Braun of Braun Legal.

1. Strategic Planning

The Board discussed strategic planning issues.

2. Closed Session

At this point, the Board went into closed session to discuss the performance review of the Executive Director. Upon returning to open session, President DeDario announced that no action had been taken.

At this point the Board recessed for lunch. Following lunch, the open session continued.

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

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

Upon a suggestion by Mr. Watts, the Board agreed to move the election of officers to the end of the agenda.

The Executive Committee was asked to review the membership rules, and Board Members were asked to be prepared to nominate committee members at the next Board Meeting.

4. Approval of Minutes

Ms. Currie moved to approve the minutes of the regular meeting held December 19, 2002. The motion was seconded by Mr. Hsu and unanimously approved.

5. Executive Director's Report

Mr. Carnahan referenced his written report, and discussed the highlights, including a report on the status of development of the Lower Colorado River Multi-Species Conservation Program.

6. Finance Manager's Report

Mr. Leddy reported on the January 6, 2003, meeting of the Finance Committee. The Committee is currently working on an escrow restructuring for the Palo Verde Power Project and a refunding/swap for the Southern Transmission System (STS) Project.

Mr. Leddy presented Resolution No. 2003-1, authorizing work to begin on a refunding of STS Project Revenue Bonds.

Mr. Toor moved that Resolution No. 2003-1 be approved. The motion was seconded by Ms. Currie and approved by STS Project roll call vote, with Azusa, Banning, Cerritos, Colton, and Imperial present but not voting, and Vernon abstaining.

Mr. Leddy presented Resolution No. 2003-2, authorizing work to begin on the restructuring of escrows for the Palo Verde Power Project.

Mr. Clarke moved that Resolution No. 2003-2 be approved. The motion was seconded by Mr. Vazquez and approved by Palo Verde Project roll call vote, with Anaheim and Cerritos present but not voting.

7. 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 proposed renewable projects, and development of a renewable portfolio standard.

Mr. Robledo also discussed developments relating to standard market design, California Independent System Operator and Federal Energy Regulatory Commission issues.

8. Government Affairs Manager's Report

Ms. Brown reported on the status of legislative activities in Sacramento and Washington, D.C.

9. Project Administrator's Report

Mr. Homer referenced the written report and updated the Board on the status of the projects, including the year-end budget comparison report for Hoover.

10. Election/Appointment of Officers

Mr. Hsu reported that the Ad Hoc Nominating Committee recommended the following officers be elected and appointed.

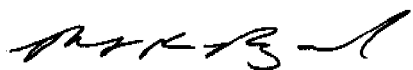
- | | |
|-----------------------------------|---------------------|
| President | Mr. Ronald Davis |
| Vice President | Mr. Thomas Clarke |
| Secretary | Mr. Ronald Vazquez |
| Assistant Secretary | Mr. Robert Rozanski |
| Treasurer and Assistant Secretary | Mr. Bill Carnahan |

Mr. Hsu moved that the recommended slate of officers be elected/appointed. The motion was seconded by Mr. Toor and unanimously approved.

11. Adjournment

There being no further business, the meeting was adjourned at 1:40 p.m.

Respectfully submitted,



Robert K. Rozanski
Assistant Secretary