

MINUTES OF THE MARCH 20, 2003
REGULAR MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

A regular meeting of the Board of Directors was held on March 20, 2003, at the Westin Hotel, 191 North Los Robles Avenue, Pasadena, California.

The meeting was called to order at 10:46 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); Vince Brar, Cerritos (A); Thomas K. Clarke, Colton (M); Arthur Buchanan, Glendale (A); Frank M. Barbera, IID (A); Ronald O. Vazquez, Los Angeles (M); Phyllis E. Currie, Pasadena (M).

Staff present were: Executive Director Bill D. Carnahan; SCPPA staff members Phyllis H. Brown, Steven L. Homer, Geri L. Mitchell, and Manuel A. Robledo; Consulting Financial Manager Greg Leddy; Manager of SCPPA Accounting Pacience Dungo; and Luan Nguyen from LADWP Nuclear Group. Newly hired Finance and Accounting Manager, Craig A. Koehler, also attended.

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

Also present were Jerry Zimmerman and Chris 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. Vazquez moved to approve the minutes of the Regular Meeting held February 20, 2003. The motion was seconded by Mr. Hsu and unanimously approved, with Colton abstaining.

3. Executive Director's Report

Mr. Carnahan introduced Mr. Zimmerman and Mr. Harris, from the State of California Colorado River Board, who gave a presentation on the development of the Lower Colorado River Multi-Species Conservation Plan (LCRMSCP).

Mr. Carnahan referenced his written report, and discussed the highlights.

Mr. Watts discussed a request by Los Angeles for SCPPA to file an amicus brief in support of the Department's position in a lawsuit regarding electric rates to government agencies. Following discussion, Mr. Watts was instructed to contact the various city attorneys, and report back by e-mail.

Mr. Davis presented Resolution 2003-10, authorizing the Magnolia Power Project Coordinating Committee to adopt rules and regulations to modify or supplement SCPPA's Procurement Code with respect to procurement for the Magnolia Power Project. Ms. Currie moved that Resolution 2003-10 be approved. The motion was seconded by Mr. Clarke and unanimously approved.

Mr. Robledo presented Resolution 2003-9, approving renewal of an agreement with Henwood Energy Services. Ms. Currie moved that Resolution 2003-9 be approved. The motion was seconded by Mr. Toor and unanimously approved.

Mr. Leddy presented a revised Investment Policy for approval to include investments for the Magnolia Power Project. Ms. Currie moved that the Investment Policy be approved. The motion was seconded by Mr. Vazquez and unanimously approved.

Mr. Carnahan reported that the Magnolia bonds had been sold at an average rate of 4.91%.

4. Finance Manager's Report

Mr. Leddy reported on the successful escrow restructuring of certain Palo Verde Project escrows, which yielded net savings of \$16.6 million.

Mr. Leddy reported on the March 3, 2003, meeting of the Finance Committee, and presented the monthly investment Report for January 2003, and the unaudited financial statements for the quarter ended December 31, 2002, 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 proposed renewable projects, and development of a renewable portfolio standard.

6. Project Administrator's Report

Mr. Homer referenced the written report and updated the Board on the status of the projects.

The Board discussed scheduling a Board Budget Workshop sometime before the April Board meeting, with a short review session to be on the day of the April 17 Board meeting.

7. 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 Davis announced that no action had been taken.

At this point the Board recessed for lunch.

8. Government Affairs Manager's Report

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

9. Adjournment

There being no further business, the meeting was adjourned at 1:38 p.m.

Respectfully submitted,



Robert K. Rozanski
Assistant Secretary

c: Board of Directors