

MINUTES OF THE APRIL 17, 2003
REGULAR MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

A regular meeting of the Board of Directors was held on April 17, 2003, at the Westin Hotel Pasadena, 191 North Los Robles Avenue, Pasadena, California.

The meeting was called to order at 10:44 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); Ignacio R. Troncoso, Glendale (M); Frank M. Barbera, Imperial Irrigation District (A); Ronald O. Vazquez, Los Angeles (M); Phyllis E. Currie, Pasadena (M), Thomas P. Evans, Riverside (M)..

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; Consulting Financial Manager Greg D. Leddy; SCPPA Investment Manager Therese Savery; and Luan Nguyen, LADWP Nuclear Group.

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

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 March 20, 2003. The motion was seconded by Mr. Clarke and unanimously approved.

3. Executive Director's Report

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

Mr. Carnahan announced that the May 15, 2003, Board meeting would be held in Glendale, and that there would be no June meeting.

Mr. Watts discussed receipt of 47 identical lawsuits against the Southern Transmission System, claiming improper design and operation of the transmission line, resulting in damage to livestock dating back to 1987.

4. Finance Manager's Report

Mr. Koehler reported on the April 7, 2003, meeting of the Finance Committee, and presented the Investment Reports for the month ended February 28, 2003, for receipt and filing.

Mr. Koehler reported on the status of the STS swap transaction, which was scheduled to close around the end of May 2003. He presented Resolution 2003-11, authorizing official statements, and Resolution 2003-12, authorizing continuing disclosure.

Ms. Currie moved that Resolutions 2003-11 and 2003-12 be approved. The motion was seconded by Mr. Troncoso and approved by project roll call vote, with Vernon absent and Azusa, Banning, Cerritos, Colton and Imperial present but not voting.

Mr. Koehler presented a summary of savings from six bond refundings and one escrow restructuring since December 2001. The summary shows debt service savings of \$61.7 million, with a net present value savings of \$40.7 million.

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, gas supply issues, and development of a renewable portfolio standard.

Mr. Robledo presented a report from the Public Benefits Committee compiling all the SCPPA member public benefits programs. Mr. Carnahan pointed out that the total spent by SCPPA Members for public benefits exceeds \$488 million. He was asked to develop a press release publicizing the extent of these programs.

Mr. Robledo presented a report on Renewable Portfolio Standards by an ad hoc committee consisting of members from both the Public Benefits Committee and the Resource Planning Committee.

The Board asked the combined ad hoc committee to continue meeting and investigate the possibility of a combined research and development, and demonstration effort.

6. Government Affairs Manager's Report

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

Following discussion of State Senate Bill 888 (repealing deregulation in California), the Legislative Committee was asked to review the bill and determine if SCPPA could move from a "watch" status to a position of support.

7. Project Administrator's Report

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

8. SCPPA Budget Review

Mr. Carnahan reported on the Budget Workshop held April 14, 2003, and explained that the budgets would be coming to the Board for approval in May. He gave an overview of the draft SCPPA Administrative and General Expense Budget.

Mr. Homer presented the draft budgets for Palo Verde, STS, Mead-Phoenix, Mead-Adelanto, and San Juan Unit 3, and discussed changes from the previous year.

Mr. Koehler presented the draft Administrative and General Expense Budget, and discussed the changes from the printed copy. Mr. Carnahan described several additions. Mr. Vazquez explained the increase in agent billable costs for services provided by Los Angeles Department of Water and Power (LADWP). He invited Mr. Koehler to spend time with the LADWP/SCPPA project accounting staff, and thereafter to propose any cost-saving measures he thought appropriate.

The Board indicated satisfaction with the draft budgets.

9. 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 the Board had approved a new consulting services agreement with Bill Carnahan.

At this point the Board recessed for lunch.

10. Intermountain Power Project Unit 3 Update for Participants

Following lunch, Eric Tharpe from LADWP External Generation, updated the Intermountain Power Project participants on the status of the proposed Unit 3 and issues related to common facilities.

11. Adjournment

There being no further business, the meeting was adjourned at 2:20 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "R. K. Rozanski".

Robert K. Rozanski
Assistant Secretary