

MINUTES OF THE SEPTEMBER 18, 2003
REGULAR MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

A regular meeting of the Board of Directors was held on September 18, 2003, at the offices of the Anaheim Public Utilities Department, 201 South Anaheim Boulevard, Anaheim, California.

The meeting was called to order at 10:35 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); Thomas K. Clarke, Colton (M); Ignacio Troncoso, Glendale (M); Kristine Fontaine, 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, Craig A. Koehler, and Geri L. Mitchell; Manuel A. Robledo, Paciencia Z. Dungo, Manager of SCPPA Accounting; 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. Clarke moved to approve the minutes of the Regular Meeting held August 21, 2003. The motion was seconded by Mr. Brar and approved as amended, with Glendale abstaining.

3. Executive Director's Report

Mr. Carnahan referenced his written report, and discussed the highlights, including plans for the October Strategic Planning Meeting, and a background document on SCPPA and its members to take on the upcoming legislative trip to Washington, D.C.

Mr. Carnahan presented Resolution No. 2003-36, approving amendment to the contract between SCPPA and CalPERS, as the final action to provide 2% at 55 retirement benefits.

Mr. Troncoso moved that Resolution No.2003-36 be approved. The motion was seconded by Mr. Hsu and unanimously approved.

4. 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 (wind, pumped storage, and landfill gas), and natural gas reserves, and a proposed energy exchange with the California Department of Water Resources.

5. Finance and Accounting Manager's Report

Mr. Arthur Ajamian from PriceWaterhouseCoopers presented SCPPA's audited financials for fiscal year 2002/03, with a clean, unqualified opinion. He explained the implications of the shift to GASB principles, particularly in the area of derivative reporting.

Ms. Currie moved that the audited financial be received and filed. The motion was seconded by Mr. Troncoso and unanimously approved.

Mr. Koehler reported on the September 8, 2003, meeting of the Finance Committee, and presented the Investment Report for the period ended July 31, 2003, for receipt and filing.

Ms. Currie moved that the investment reports be received and filed. The motion was seconded by Mr. Clarke and unanimously approved.

Mr. Koehler presented Resolution No. 2003-37, authorizing an agreement with Automated Energy, Inc., to provide enhancements to customer service programs on behalf of certain members. Mr. Clarke moved that Resolution No. 2003-37 be approved. The motion was seconded by Mr. Troncoso and unanimously approved.

Mr. Koehler reported on the September 11, 2003, meeting of the Ad Hoc Customer Service Committee, including discussion of the benchmarking study, and referenced the written report.

6. Government Affairs Manager's Report

Ms. Brown reported on legislative activities in Sacramento and Washington, D.C., and her recent trip to Washington, D.C.

7. Project Administrator's Report

Mr. Homer referenced the written reports, and reported on the recent staff visit to San Juan Generating Station.

8. Closed Session

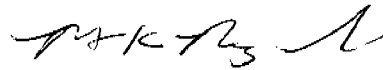
At this point the Board went into closed session to discuss litigation related to the Southern Transmission System Project.

Upon returning to open session, President Davis announced that the Board had taken no action.

9. **Adjournment**

There being no further business, the meeting was adjourned at 11:38 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Rozanski', written in a cursive style.

Robert K. Rozanski
Assistant Secretary