

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

A regular meeting of the Board of Directors was held on October 16, 2003, in the Grand Salon of the Hyatt Grand Champions Resort located at 44-600 Indian Wells Lane in Indian Wells, California.

The meeting was called to order at 8:43 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: Marcie L. Edwards, Anaheim (M); 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); Glenn O. Steiger, Imperial Irrigation District (M); 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; and Therese Savery, SCPPA Investments.

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 September 18, 2003. The motion was seconded by Mr. Troncoso and unanimously approved.

3. Executive Director's Report

Mr. Carnahan referenced his written report, and discussed the highlights. He reminded the Board of a planned tour of the PPM wind farm project on October 28, 2003.

Mr. Carnahan presented Resolution No. 2003-39, declaring SCPPA's intent to be reimbursed from bond proceeds with respect to funding the acquisition of natural gas rights and related facilities for certain of its members. Ms. Currie moved that Resolution No. 2003-39 be approved. The motion was seconded by Mr. Troncoso and unanimously approved.

4. Finance and Accounting Manager's Report

Mr. Koehler reported on the October 6, 2003, meeting of the Finance Committee, presented the Investment Report for the period ended August 31, 2003, for receipt and filing, and updated the Board on the status of unsolicited refinancing proposals.

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

Mr. Koehler presented a request to extend the existing consulting agreement with Plan b Solutions on behalf of Burbank. Mr. Davis moved that the contract be extended. The motion was seconded by Mr. Troncoso and unanimously approved.

5. Energy Systems Manager's Report

Mr. Robledo referenced his written report, and reported on the October meetings of the Resource Planning and Public Benefits Committees, including status of the proposed renewable projects (wind and landfill gas), and natural gas reserves.

Mr. Robledo also discussed a proposal from the California Department of Water Resources for seasonal energy exchanges, and a recommendation from the Resource Planning Committee to host a meeting of the Western Systems Power Pool Operating Committee in the fall of 2004.

6. Government Affairs Manager's Report

Ms. Brown reported on legislative activities in Sacramento and Washington, D.C., including a recent trip to Washington, D.C. to meet with members of Congress and their staff.

7. Project Administrator's Report

Mr. Homer referenced the written reports, reported on the current status of the projects, and presented the budget comparisons for the period ending June 30, 2003.

8. Closed Session

At this point the Board went into closed session to discuss litigation related to the STS Project. Upon returning to open session, President Davis announced that the Board had taken no action.

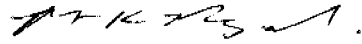
9. Strategic Planning

The Board continued to meet to discuss strategic planning issues.

10. Adjournment

There being no further business, the meeting was adjourned at 4:00 p.m.

Respectfully submitted,

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

Robert K. Rozanski
Assistant Secretary