

MINUTES OF THE MARCH 21, 2002
REGULAR MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

A regular meeting of the Board of Directors was held on March 21, 2002, at the City of Riverside Utilities Operations Center, 2911 Adams Street, Riverside, California.

The meeting was called to order at 10:42 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: Marcie L. Edwards, Anaheim (M); Joseph F. Hsu, Azusa (M); Paul Toor, Banning (M); Ronald E. Davis, Burbank (M); Vince Brar, Cerritos (A); Jeannette Olko, Colton (A); Ignacio R. Troncoso, Glendale (M); Frank M. Barbera, IID (A); Ronald O. Vazquez, Los Angeles (M); Phyllis E. Currie, Pasadena (M); Thomas P. Evans, Riverside (M); Karl Schwarm, San Marcos (A); and Kenneth J. DeDario, Vernon (M).

Staff present were: Executive Director Bill D. Carnahan; SCPPA staff members Manuel A. Robledo, Phyllis H. Brown, and Geri L. Mitchell; Consulting Project Administrator, Charles E. Patrick; Pacience Dungo, Manager of SCPPA Accounting; Luan Nguyen, LADWP Nuclear Group.

Attorneys and consultants present included: Alan R. Watts; Stephen Cole, Fulbright & Jaworski; Alex Burnett, Public Financial Management.

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

President DeDario afforded the public an opportunity to address the Board

2. Approval of Minutes

Mr. Evans moved to approve the minutes of the meeting held February 21, 2002. The motion was seconded by Mr. Troncoso and unanimously approved.

3. Executive Committee

President DeDario presented the revised By-Laws of the Authority, as recommended by the Executive Committee. Several minor typographical errors were noted.

Mr. Vazquez moved that the revised By-Laws of the Authority be approved, as corrected. The motion was seconded by Mr. Davis and unanimously approved.

President DeDario appointed members of the Finance Committee effective April 1, 2002, as follows: President DeDario as Chair; Tom Clarke (Colton) as Vice Chair; Mark Mazak (Anaheim), Richard Corbi (Burbank), Bob Franz (Glendale), Kris Fontaine (IID), Bob Rozanski (Los Angeles), Jay Panzica (Pasadena), Donna Stevener (Riverside), and Bill Carnahan (ex officio).

Members were asked to send in nominations for the other committees, and those appointments will be made next month.

4. **Finance Committee**

Mr. Burnett reported on the status of the proposed San Juan Unit 3 refunding, with all documents in place, but targeted savings not possible in the current market. PFM and Paine Weber will monitor the market daily, and the transaction will proceed when appropriate.

President DeDario presented the Finance Committee's recommendations for a new Investment Banking Team, resulting from the request for proposals process.

- A.G. Edwards
- Banc of America Securities
- Bear, Stearns & Co.
- Loop Capital Markets
- Merrill Lynch
- Salomon Smith Barney
- Samuel A. Ramirez & Co.
- Siebert, Branford Shank & Co.
- UBS PaineWebber

President DeDario moved that the new Investment Banking Team be approved. The motion was seconded by Mr. Vazquez and unanimously approved.

Mr. Cole presented Resolution 2002-6, affirming the actions approved by Resolution 2002-3.

Mr. Toor moved that Resolution 2002-6 be approved. The motion was seconded by Mr. Troncoso and approved by Project Roll Call Vote, with Anaheim, Burbank, Cerritos, Los Angeles, Pasadena and San Marcos present but not voting, and Riverside and Vernon abstaining.

5. **Ad Hoc Public Benefits Committee**

Mr. Robledo reported that an additional \$700,000 is available to SCPPA members as part of the SB5X load reduction program. SCPPA has already received \$8 million under the program and has greatly exceeded the target savings. The additional money will be distributed on the same basis. Mr. Carnahan suggested preparing a press release regarding the success of the load reduction efforts.

Mr. Robledo reported on the March 20, 2002, meeting of the Committee, and on the presentation made by the Southern California Gas Company at that meeting.

6. Resource Planning Committee

Mr. Robledo referenced the written report, and discussed the Committee's March 19, 2002, meeting. He reported that the Request for Proposals for Renewable Energy Resources had been issued, and that a subcommittee had been appointed to review the proposals. The committee will develop a short list and give the Board a full briefing following the May 16, 2002, Board Meeting.

Mr. Robledo reported developments in the ISO Vertically Integrated Utility Proposal negotiations, and the Board discussed strategic issues.

7. Energy Systems Manager's Report

Mr. Robledo referenced his written report.

8. Executive Director's Report

Mr. Carnahan referenced his written report and discussed the highlights. He discussed plans for the Congressional Staff Tour to be held May 30 to June 2, 2002.

Mr. Carnahan presented Resolution 2002-7, authorizing collection of funds to pay for training services provided by Open Access Technology International, Inc. Mr. Vazquez moved that Resolution 2002-7 be approved. The motion was seconded by Mr. Davis and unanimously approved.

Mr. Watts briefed the Board regarding an Advance Notice of Proposed Rulemaking by the Federal Energy Regulatory Commission related to transmission.

Mr. Carnahan discussed the United States Energy Association's Energy Partnership Program and asked the Board to consider participation. None of the Members were interested.

9. Legislative Advocacy

Ms. Brown updated the Board on activities in Sacramento, including proposed legislation.

Mr. Carnahan referenced the written federal legislative advocacy report.

10. Project Management Reports

Mr. Carnahan referenced the written reports.

At this point the Board recessed for lunch.

11. Closed Session

After lunch the Board went into closed session to discuss personnel matters.

12. Strategic Planning

After reconvening in open session, the Board discussed strategic planning issues.

13. Adjournment

There being no further business, the meeting was adjourned at 1:48 p.m.

Respectfully submitted,



Robert K. Rozanski
Assistant Secretary