

**MINUTES OF THE JULY 18, 2002**  
**REGULAR MEETING OF THE**  
**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**

A regular meeting of the Board of Directors was held on July 18, 2002, at the DoubleTree Hotel, 191 North Los Robles Avenue, Pasadena, California.

The meeting was called to order at 10:38 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: Kenneth S. Noller, Anaheim (A); Joseph F. Hsu, Azusa (M); Paul Toor, Banning (M); Ronald E. Davis, Burbank (M); Vince Brar, Cerritos (A); Nitin Modi, Colton (A); Ignacio R. Troncoso, Glendale (M); Kristine K. Fontaine, IID (M); Ronald O. Vazquez, Los Angeles (M); Phyllis E. Currie, Pasadena (M); Thomas P. Evans, Riverside (M); Karl A. Schwarm, San Marcos (A).

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 D. Leddy; Paciencia Z. Dungo and Therese Savery of SCPPA Accounting and Investments; and Luan Nguyen of Los Angeles Dept. of Water and Power Nuclear Group.

Attorneys and consultants present included: Stephen Cole of Fulbright & Jaworski; G. Michael Curls of Curls, Brown and Duran; and Alan R. Watts.

Also present were: Alan Richardson and Mark Crisson, representing the American Public Power Association.

**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. Hsu moved to approve the minutes of the Regular Meeting held May 16, 2002. The motion was seconded by Mr. Vazquez and unanimously approved, with Imperial abstaining.

**3. Executive Director's Report**

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

Mr. Cole discussed the receipt of a positive Private Letter Ruling regarding the effects of SCPPA members joining the California Independent System Operator (ISO) on tax-exempt status of bonds.

Mr. Watts discussed SCPPA's intervention on the Standardization of Generator Interconnection Agreements and Procedures as proposed by the FERC, with emphasis on the liquidated damages provisions.

Mr. Carnahan noted that the August Board of Directors meeting would be held on Wednesday, August 14 (a day earlier than usual).

Mr. Carnahan also discussed preliminary plans for the Annual Meeting and Strategic Planning Session to be held October 17 and 18, 2002, at Rancho Bernardo Inn.

Mr. Carnahan presented an extension of the consulting agreement with Greg Leddy for Financial Manager services, on a month-to-month basis. Mr. Troncoso moved that the contract be approved. The motion was seconded by Mr. Modi, and unanimously approved.

Mr. Carnahan presented an extension of the consulting services agreement with Morgan Meguire for legislative advocacy services. Mr. Davis moved that the contract be approved. The motion was seconded by Mr. Toor and unanimously approved.

#### **4. Finance Manager's Report**

Mr. Leddy reported on the July 8, 2002, meeting of the Finance Committee, and presented the updated Investment Policy for its annual adoption.

Ms. Fontaine moved that the Investment Policy be adopted. The motion was seconded by Mr. Hsu and unanimously approved.

Mr. Leddy discussed the Investment Reports of March, April and May 2002, and the cost of capital.

Mr. Leddy discussed the proposed refunding of certain Southern Transmission System bonds and presented Resolution 2002-30, authorizing the refunding and related actions, and Resolution 2002-31, providing for continuing disclosure after the bonds are issued.

Ms. Currie moved that Resolution 2002-30 and Resolution 2002-31 be approved. The motion was seconded by Mr. Davis and approved by project roll call vote, with Azusa, Banning, Cerritos, Colton, Imperial and San Marcos present but not voting, and Vernon abstaining.

## **5. Energy Systems Manager's Report**

Mr. Robledo referenced his written report, and presented Resolution 2002-32, authorizing the collection of funds to pay for the expenses of a risk management seminar held on June 27, 2002.

Ms. Currie moved that Resolution 2002-32 be approved. The motion was seconded by Mr. Vazquez and unanimously approved.

Mr. Robledo reported on progress in developing renewable power resources, with detailed discussion to be held during closed session.

Mr. Robledo also reported on the ISO Metered Subsystem Proposal and other highlights of his written report.

## **6. Government Affairs Manager's Report**

Ms. Brown reported on the status of legislative activities in Sacramento and Washington, D.C., with emphasis on California State Senate Bill 2000, and Assembly Bill 80, and several bills relating to renewable energy.

## **7. Project Administrator's Report**

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

Mr. Homer discussed the annual Power System Survey and the Budget Comparison reports for all six projects.

## **8. Closed Session**

At this point, the Board went into closed session to discuss confidential elements of proposals received in response to SCPPA Request for Qualifications and Proposals for Renewable Energy Projects.

Upon reconvening in open session, President DeDario announced that no action had been taken.

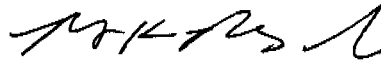
## **9. Member Forum**

During lunch, Mr. Carnahan discussed plans for the strategic planning session to be held October 17, and Mr. Richardson spoke regarding legislative and regulatory developments in Washington, D.C.

**10. Adjournment**

There being no further business, the meeting was adjourned at 1:34 p.m.

Respectfully submitted,

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

Robert K. Rozanski  
Assistant Secretary