

**MINUTES OF THE AUGUST 14, 2002**  
**REGULAR MEETING OF THE**  
**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**

A regular meeting of the Board of Directors was held on August 14, 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); Gregory Simay, Burbank (A); Vince Brar, Cerritos (A); Thomas K. Clarke, Colton (M); 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); R.W. Gittings, San Marcos (M); Kenneth J. DeDario, Vernon (M).

Staff present were: Executive Director Bill D. Carnahan; SCPPA staff members Steven L. Homer, Manuel A. Robledo, Phyllis H. Brown, and Geri L. Mitchell; Consulting Financial Manager, Greg Leddy; Mario Ignacio, LADWP Finance and Accounting; and John Schumann, LADWP Bulk Power.

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

**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 Regular Meeting held July 18, 2002. The motion was seconded by Ms. Currie and unanimously approved, with Colton abstaining.

**3. Executive Director's Report**

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

He reported on the California Municipal Utilities Association (CMUA) Energy Policy Subcommittee meeting held August 7, 2002, and distributed two documents regarding the meeting and Regional Transmission Organizations.

Mr. Carnahan also discussed plans for the SCPPA Strategic Planning Session to be held October 17, 2002.

Mr. Carnahan presented Resolution Number 2002-33, authorizing a contract with Plan b Solutions to provide information technology consulting services on behalf of Burbank, Glendale, and Pasadena.

Ms. Currie moved that Resolution 2002-33 be approved. The motion was seconded by Mr. Troncoso and unanimously approved.

Mr. Carnahan presented Resolution 2002-34, declaring the proposed Pasadena, Glendale, and Burbank Electric Reliability Project to be a SCPPA Study Project.

Mr. Troncoso moved that Resolution 2002-34 be approved. The motion was seconded by Mr. Gittings and unanimously approved.

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

Mr. Leddy reported on the August 5 and August 14, 2002, meetings of the Finance Committee, and discussed the Palo Verde Decommissioning Fund.

He presented Resolution 2002-35, authorizing work to begin on a San Juan Unit 3 Project refunding.

Ms. Fontaine moved that Resolution 2002-35 be approved. The motion was seconded by Ms. Currie and approved by Project Roll Call Vote, with Azusa and Banning absent, Anaheim, Burbank, Cerritos, Pasadena, and San Marcos present but not voting, and Los Angeles, Riverside and Vernon abstaining.

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

Mr. Leddy also reported on the sale of Southern Transmission System refunding bonds. The refunding yielded 12% present value savings (\$5.6 million).

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

Mr. Robledo referenced his written report, and reported on progress in developing the Renewable Power Project, with detailed discussion to be held during closed session.

Mr. Robledo also reported that the Resource Planning Committee has formed a sub-group to study creditworthiness issues.

He also discussed activities of the Public Benefits Committee, California Independent System Operator (ISO) issues, 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 AB 80, and led discussion on 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 presented a revised Appendix B to the Mead-Phoenix Transmission Service Agreements, and explained the changes in Authority expense percentages due to receipt of final construction costs for the three Project components.

**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 the Board had authorized staff to prepare and negotiate a letter of intent with a producer of geothermal energy to enter into long-term arrangements for geothermal energy and to prepare a study project resolution for the Board's consideration.

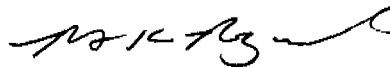
**9. Member Forum**

During lunch, the Mr. Carnahan discussed plans for the October strategic planning session, and shared reactions to the new Board of Directors agenda distribution.

**10. Adjournment**

There being no further business, the meeting was adjourned at 1:14 p.m.

Respectfully submitted,



Robert K. Rozanski  
Assistant Secretary