

MINUTES OF THE SEPTEMBER 19, 2002
REGULAR MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

A regular meeting of the Board of Directors was held on September 19, 2002, at the Anaheim Public Utilities Department, 201 South Anaheim Boulevard, Anaheim, California.

The meeting was called to order at 10:48 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); Thomas K. Clarke, Colton (M); Lawrence Silva, Glendale (A); 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); 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; and Consulting Financial Manager, Greg D. Leddy.

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

Also present were Charles E. Patrick; and Mathew Bagley, PriceWaterhouseCoopers.

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

President DeDario afforded the public an opportunity to address the Board

2. Honorary Resolution

President DeDario presented an honorary resolution to Charles E. Patrick, honoring and thanking him for many years of service to SCPPA, both as an LADWP employee and a consultant.

3. Approval of Minutes

Ms. Currie moved to approve the minutes of the Regular Meeting held August 14, 2002. The motion was seconded by Mr. Evans and unanimously approved, with Azusa abstaining.

4. Executive Director's Report

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

Mr. Mathew Bagley, of PriceWaterhouseCoopers, presented the audited financial statements for the period ending June 30, 2002. Mr. Davis moved that the Board accept and file the financial statements. The motion was seconded by Mr. Vazquez and unanimously approved.

Mr. Carnahan reviewed the proposed schedule and agenda for the October Strategic Planning Session and Board Meeting, at the Rancho Bernardo Inn, October 17-18, 2002.

Mr. Homer presented Resolution 2002-36, authorizing the collection of funds to pay annual dues to the American Public Power Association on behalf of SCPPA members. Mr. Clarke moved that Resolution 2002-36 be approved. The motion was seconded by Mr. Silva and unanimously approved.

Mr. Homer presented Resolution 2002-37, authorizing the collection of funds to pay the assessment for the CMUA restructuring program. Ms. Edwards moved that Resolution 2002-37 be approved. The motion was seconded by Mr. Hsu and unanimously approved.

Mr. Cole presented Resolution 2002-38, approving letter agreements between SCPPA and its applicable members participating in the California Independent System Operator (ISO). Ms. Edwards moved that Resolution 2002-38 be approved. The motion was seconded by Mr. Hsu, and unanimously approved, with Colton abstaining.

Mr. Homer presented Resolution 2002-39, authorizing the collection of funds to pay legal costs related to the Internal Revenue Service Private Letter Ruling regarding ISO participation. Mr. Currie moved that Resolution 2002-39 be approved. The motion was seconded by Mr. Evans and unanimously approved.

Mr. Carnahan present Resolution 2002-40, authorizing negotiation and execution of a new office lease agreement with Aetna Life Insurance Company. Mr. Evans moved that Resolution 2002-40 be approved. The motion was seconded by Mr. Davis, and unanimously approved.

Mr. Carnahan reported on the most recent meeting of the CMUA Energy Policy Committee.

5. Finance Manager's Report

Mr. Leddy reported on the September 4, 2002, meeting of the Finance Committee. He presented Resolution 2002-41, authorizing a San Juan Unit 3 refunding, and Resolution 2002-42, authorizing continuing disclosure for the San Juan refunding.

Ms. Fontaine moved that Resolution 2002-41 and Resolution 2002-42 be approved. The motion was seconded by Mr. Silva, and approved by Project Roll Call Vote, with Anaheim, Burbank, Cerritos, Pasadena, and San Marcos present but not voting, and Los Angeles, Riverside, and Vernon abstaining.

6. 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 on the status of the proposed Transmission Reliability Project. He also discussed activities of the Public Benefits Committee, ISO issues, and other highlights of his written report.

7. 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.

8. Project Administrator's Report

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

Mr. Homer presented Resolution 2002-43, approving the annual budget for the Hoover Upgrading Project for the fiscal year from October 1, 2002, to September 30, 2003.

Mr. Davis moved that Resolution 2002-43 be approved. The motion was seconded by Ms. Edwards, and approved by Project Roll Call Vote, with Cerritos, Glendale, Imperial, Pasadena, and San Marcos present but not voting, and Los Angeles and Vernon abstaining.

Mr. Homer presented Resolution 2002-44, approving the revision of the Mead-Phoenix Private Use Policy to reflect final construction costs figures for the three components.

Ms. Edwards moved that Resolution 2002-44 be approved. The motion was seconded by Mr. Clarke and approved by Project Roll Call Vote, with Cerritos, Imperial and San Marcos present but not voting, and Vernon abstaining.

9. Closed Session

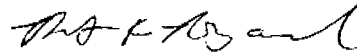
At this point, the Board went into closed session to discuss confidential elements of proposals received in response to SCPPA Request for Qualifications and Proposals for Renewable Energy Projects.

Upon reconvening in open session, President DeDario announced that the Board had authorized staff sign non-binding letters of intent to enter into long-term arrangements with providers of geothermal and wind energy, and to prepare a study project resolution for the Board's consideration.

10. Adjournment

There being no further business, the meeting was adjourned at 1:36 p.m.

Respectfully submitted,



Robert K. Rozanski
Assistant Secretary