

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

A regular meeting of the Board of Directors was held on December 19, 2002, at the DoubleTree Hotel Pasadena, 191 North Los Robles Avenue, Pasadena, California.

The meeting was called to order at 10:36 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: Mark Mazak, Anaheim (A); Joseph F. Hsu, Azusa, (M); R.P. Brar, Banning (A); Ronald E. Davis, Burbank (M); Vince Brar, Cerritos (A); Thomas K. Clarke, Colton (M); Lawrence W. Silva, Glendale (A); Frank M. Barbera, Imperial Irrigation District (A); Robert K. Rozanski, Los Angeles (A); Phyllis E. Currie, Pasadena (M); Thomas P. Evans, Riverside (M); and Kenneth J. DeDario, Vernon (M).

Staff present were: Executive Director Bill D. Carnahan; SCPPA staff members Phyllis H. Brown, and Geri L. Mitchell; Manuel A. Robledo, and Consulting Financial Manager, Greg Leddy.

Attorneys and consultants present included: Stephen Cole, Fulbright & Jaworski; Alan R. Watts; Gregg Cook, Government Affairs Consulting; and Deborah Sliz, Morgan Meguire.

Also present was Luan Nguyen, LADWP Nuclear Group; and Paciencia Z. Dungo, Manager of SCPPA Accounting.

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. Davis moved to approve the minutes of the Regular Meeting held November 21, 2002. The motion was seconded by Mr. Clarke and unanimously approved.

3. Nominating Committee

Mr. Hsu reported that the ad hoc Nominating Committee recommended the following nominations for the election of officers to be held at the January 16, 2003, Board of Directors meeting:

President	Ronald Davis
Vice President	Thomas Clarke
Secretary	Ronald Vazquez
Assistant Secretary	Robert Rozanski
Treasurer and Assistant Secretary	Bill Carnahan

4. Executive Director's Report

Mr. Carnahan referenced his written report, and discussed the need to follow up on strategic planning issues from the annual meeting. It was agreed that a strategic planning session would be held at 10:00 a.m. on January 16, 2003, and to delay the regular Board of Directors meeting agenda until 1:00 p.m.

Mr. Carnahan noted that copies of the SCPA Annual Report for fiscal year 2001/02 were available and would be distributed.

Mr. Carnahan presented Resolution 2002-49, authorizing the Magnolia Power Project Labor Agreement, and Resolution 2002-50, authorizing the Magnolia Power Project Maintenance Agreement. Mr. Terry Stephenson, from the City of Burbank, explained the agreements and noted that the Magnolia Coordinating Committee had approved both agreements and recommended them to SCPA for Board approval.

Mr. Davis moved that Resolution 2002-49 and Resolution 2002-50 be approved. The motion was seconded by Ms. Currie, and unanimously approved, with Vernon, Banning, Riverside, and Los Angeles abstaining.

Mr. Carnahan presented Resolution 2002-51, authorizing execution of a consulting services agreement with McDonald Partners related to the Magnolia Project participation terms and conditions for Burbank and San Marcos.

Mr. Davis moved that Resolution 2002-51 be approved. The motion was seconded by Ms. Currie and unanimously approved, with IID, Riverside, Banning, Los Angeles, and Vernon abstaining.

5. Finance Manager's Report

Mr. Leddy reported on the December 2, 2002, meeting of the Finance Committee. The Committee is currently working on possible escrow restructurings for Palo Verde Power Project and the Southern Transmission System Project.

Mr. Leddy presented revised Swap Guidelines and Guidelines for Financing and Selection of the Financing Team, and explained the revisions.

Mr. Clarke moved that the Swap Guidelines be approved. The motion was seconded by Mr. Mazak and approved, with Riverside voting no, and all others in favor.

Mr. Hsu moved to approve the Guidelines for Financing and Selection of the Financing Team. The motion was approved by Mr. Clarke and unanimously approved.

6. Energy Systems Manager's Report

Mr. Robledo referenced his written report, and reported on meetings of the Resource Planning and Public Benefits Committees, including status of proposed renewable projects, and the development of a renewable portfolio standard.

Mr. Robledo also discussed developments relating to Independent System Operator and Federal Energy Regulatory Commission issues, including standard market design.

7. Government Affairs Manager's Report

Ms. Brown reported on the status of legislative activities in Sacramento and Washington, D.C.

Mr. Evans moved approval of the updated the Legislative and Regulatory and Key Interests document. The motion was seconded by Mr. Hsu and unanimously approved.

8. Project Administrator's Report

Mr. Carnahan referenced the written report and updated the Board on the status of the projects, including budget comparison reports.

At this point the Board recessed for lunch.

9. Legislative and Regulatory Briefing

Following lunch, Gregg Cook and Deborah Sliz briefed the Board on the results of recent elections, and the status of legislative and regulatory affairs in Sacramento and Washington, D.C.

10. Adjournment

There being no further business, the meeting was adjourned at 1: 55 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Rozanski", followed by a period.

Robert K. Rozanski
Assistant Secretary