

MINUTES OF THE FEBRUARY 17, 2000
REGULAR MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

A regular meeting of the Board of Directors was held on February 17, 2000, in the DoubleTree Hotel, 191 North Los Robles, Pasadena, California.

The meeting was called to order at 10:38 a.m. by President Joseph F. Hsu.

The following Board members (M) and alternates (A) were present and acting in their capacity as representative for their utility: Brian Thomas, Anaheim (A); Joseph F. Hsu, Azusa (M); Paul Toor, Banning (M); Ronald E. Davis, Burbank (M); Timothy Trewyn, Colton (A); Bernard V. Palk, Glendale (M); Kristine Fontaine, Imperial (M); Robert Rozanski, Los Angeles (A); Manuel Robledo (A) and Rufus Hightower, Pasadena (M); Bill Carnahan, Riverside (M); and Kenneth J. DeDario, Vernon (M).

Staff present were: SCPPA Executive Director, Daniel W. Waters; SCPPA staff members Geri L. Mitchell and Steven L. Homer; Consulting Financial Manager, Greg Leddy; Consulting Project Administrator Charles E. Patrick; Luan Nguyen, DWP Nuclear Group; Pacience Dungo, Manager of SCPPA Accounting; Therese Savery, SCPPA Bonds and Investments.

Attorneys and consultants present included: Stephen T. Cole of Fulbright & Jaworski; Alan R. Watts; Daniel Hartman of Public Financial Management, Ken Mellor and Michael Gaines of R.W. Beck.

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

President Hsu afforded the public an opportunity to address the Board.

2. Approval of Minutes

Mr. Carnahan moved to approve the minutes of the regular meeting held January 20, 2000, and the special meeting held February 3, 2000. The motion was seconded by Mr. Toor and unanimously approved.

3. Auditing Contract

Mr. Waters gave the history of the RFP for Independent Auditing Services. He announced that the Audit Committee had selected PriceWaterhouseCoopers to continue providing these services under a new agreement and at a reduced rate.

Mr. Palk moved that the Executive Director be authorized to execute the new agreement. The motion was seconded by Mr. Robledo and unanimously approved.

4. Palo Verde Triennial Report

Mr. Waters presented a proposal from R.W. Beck for consulting services related to the triennial review of operations at the Palo Verde Nuclear Generating Station as required by the Project Indenture.

Mr. Trewyn moved that that the Executive Director be authorized to execute an agreement with R.W. Beck to perform the Triennial Report. The motion was seconded by Mr. Palk and approved by Project Roll Call Vote, with Anaheim present but not voting.

5. Finance Committee

Mr. Waters reported on the meetings of the Finance Committee held on January 20, and February 7, 2000.

Mr. Waters presented Resolution No. 2000-3, which authorizes an agreement with Curls, Brown, and Duran, extending their co-bond counsel services through June 30, 2000. Mr. DeDario moved that Resolution No. 2000-3 be approved. The motion was seconded by Mr. Toor and unanimously approved.

Mr. Waters presented Resolution No. 2000-4, which authorizes an agreement with the Financial Advisor to facilitate the tender offer program for the purchase and issuance of certain STS Project Revenue Bonds, an agreement with Bondholder Communications Group for services relating to the tender offer, and the performance of legal services by Co-Bond Counsel.

Mr. Thomas moved that Resolution No. 2000-4 be approved. The motion was seconded by Mr. Trewyn and approved by Project Roll Call Vote, with Azusa, Banning, Colton, and Imperial present but not voting, Burbank and Vernon abstaining.

Discussion of Resolution No. 2000-5 and Resolution No. 2000-6 was postponed until after the closed session. At that time, Mr. Waters presented the two resolutions and Mr. Cole led the discussion of their contents.

Following discussion, Mr. Trewyn moved that Resolution No. 2000-5 be approved. The motion was seconded by Ms. Fontaine and unanimously approved.

Ms. Fontaine moved that Resolution 2000-6 be approved, with inclusion of Salomon Smith Barney as co-manager. The motion was seconded by Mr. Trewyn and approved by Project Roll Call Vote, with Banning and Burbank absent, and Anaheim, Los Angeles, Pasadena, and Riverside present but not voting, and Vernon abstaining.

6. Executive Director's Report

Mr. Waters referenced his written report, and discussed the highlights. Following discussion about APPA's "Campaign for Fair Competition" it was agreed to set a meeting with Alan Richardson of APPA to discuss the California members' concerns.

After discussion, the Board agreed to nominate Manuel Robledo to continue serving on the Board of the Power Exchange.

Mr. Waters reported on developments regarding Desert Star, and the initial suggestions for its funding.

Mr. Waters presented a six-month extension of the consulting services agreement with Charles Patrick for project management related to the Hoover Upgrading Project and the Lower Colorado Multi-Species Conservation Program. Mr. DeDario moved that the extension be approved. The motion was seconded by Mr. Palk and unanimously approved.

7. Legislative Advocacy

Mr. Waters referenced the written reports from Morgan Mequire and Governmental Affairs Consulting, and discussed the highlights.

Mr. Watts reported on potential legislation which would expand the California Energy Commission's jurisdiction over transmission lines.

Mr. Waters discussed plans to conduct a Congressional Staff Tour April 27-30.

8. Project Reports

Mr. Waters referenced the written project reports.

9. Closed Session

At this point the Board went into closed session to discuss employment and compensation matters.

Upon reconvening, Mr. Trewyn moved that the Board approve the form of agreement engaging the corporation of Bill D. Carnahan to act as Executive Director of the Southern California Public Power Authority, subject to legal review of the form of the agreement. The motion was seconded by Mr. Thomas and unanimously approved.

10. Adjournment

There being no further business, the meeting was adjourned at 2:24 p.m.

Respectfully submitted,

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

Robert K. Rozanski
Assistant Secretary