

MINUTES OF THE OCTOBER 19, 2000
REGULAR MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

A regular meeting of the Board of Directors was held on October 19, 2000, in the Rancho Mirage Room at the Westin Mission Hills Resort, 71501 Dinah Shore Drive, Rancho Mirage, California.

The meeting was called to order at 9:10 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: Edward K. Aghjayan, Anaheim (M); Joseph F. Hsu, Azusa (M); Paul Toor, Banning (M); Ronald E. Davis, Burbank (M); Nitin Modi, Colton (A); Daniel W. Waters, Glendale (M); Kristine Fontaine, Imperial (M); Robert K. Rozanski, Los Angeles (A); Jay Panzica, Pasadena (A); David Wright, Riverside (M); and Jorge C. Somoano, Vernon (A).

Staff present were: Executive Director Bill D. Carnahan; SCPPA staff members Steven L. Homer and Geri L. Mitchell; Consulting Financial Manager, Greg D. Leddy; Consulting Project Administrator Charles E. Patrick; John Schumann, LADWP Nuclear Group; Paciencia Dungo, Manager of SCPPA Accounting.

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

Also present were Jerry Jordan and Tony Braun of the California Municipal Utilities Association; and Gregg Cook of Government Affairs Consulting.

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. Waters moved to approve the minutes of the regular meeting held September 21, 2000. The motion was seconded by Mr. Wright and unanimously approved.

3. Finance Committee

Mr. Carnahan referenced the written report on the meetings of September 21 and October 2, 2000. Mr. Leddy reviewed the status of efforts to free up reserve fund monies in the STS senior indenture.

Mr. Cole presented Resolution No. 2000-31, authorizing a supplemental indenture amending the Senior Lien Indenture of Trust relating to the STS, the distribution of materials to bondowners seeking their consent to the amendments, and the sale of securities in the Debt Service Reserve Account.

Mr. Aghjayan moved that Resolution No. 2000-31 be approved. The motion was seconded by Mr. Waters and approved by Project Roll Call Vote, with Azusa, Banning, Colton and Imperial present but not voting, and Vernon abstaining.

Mr. Aghjayan moved that Resolution No. 2000-28 be approved. The motion was seconded by Mr. Wright and unanimously approved.

4. Hoover Representation

Mr. Carnahan reported on a meeting held to review the activities of the Consulting Project Administrator for the Hoover Upgrading Project (Charles E. Patrick). At the meeting, several SCPPA Members who had interests in Hoover, but were not part of the SCPPA Hoover Upgrading Project, agreed to share in the costs of Mr. Patrick's activities.

Mr. Carnahan presented Resolution No. 2000-32, which arranges for the billing of 50% of the Hoover Consulting Project Administrator's costs to Burbank, Glendale, Pasadena, and Vernon.

Mr. Waters moved that Resolution No. 2000-32 be approved. The motion was seconded by Mr. Somoano and unanimously approved.

5. Palo Verde Operating Agent Agreement

Mr. Watts discussed restructuring legislation in Arizona, and the required separation of generation and transmission/distribution assets by Arizona Public Service, relating to APS' request to transfer the duties of Operating Agent at Palo Verde Nuclear Generating Station to their new generation subsidiary.

Mr. Schumann discussed the need to revise the Participation Agreement and get City Council approval, and recommended further review before approving the request for transfer of Operating Agent. Messrs. Watts, Cole, Carnahan, and Cole will conduct further review and bring the issue back to the Board at a later date.

6. Executive Director's Report

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

Mr. Carnahan presented an agreement between California Municipal Utilities Association and the Los Angeles Department of Water and Power for services of EES Consulting relating to Federal Energy Regulatory Commission issues. SCPPA would share in the costs through CMUA, with SCPPA's costs distributed among the members in the same manner as similar restructuring costs.

Mr. Aghjayan moved that the Executive director be authorized to sign the agreement. The motion was seconded by Mr. Wright and unanimously approved.

Mr. Carnahan discussed recent activities of the Public Benefits Committee and the Resource Planning Committee.

7. Legislative Advocacy

Mr. Carnahan referenced the written reports from Morgan Meguire and Government Affairs Consulting.

8. Project Reports

Mr. Carnahan referenced the written reports.

After a short recess, the Board heard presentations by Jerry Jordan, Gregg Cook, and Tony Braun regarding restructuring issues in California and at FERC.

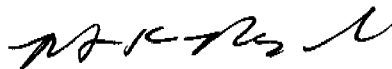
9. Strategic Planning

Following lunch, the Board discussed strategic planning issues.

10. Adjournment

There being no further business, the meeting was adjourned at 4:00 p.m.

Respectfully submitted,



Robert K. Rozanski
Assistant Secretary