

MINUTES OF THE DECEMBER 21, 2000
REGULAR MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

A regular meeting of the Board of Directors was held on December 21, 2000, in San Rafael Room of the DoubleTree Hotel Pasadena, 191 N. Los Robles Avenue, Pasadena, California.

The meeting was called to order at 10:40 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); Thomas Clarke, Colton (M); Daniel W. Waters, Glendale (M); Kristine Fontaine, Imperial (M); Robert Rozanski, Los Angeles (A); Jay Panzica, Pasadena (A); Tom Evans, Riverside (M); and Kenneth J. DeDario, Vernon (M).

Staff present were: Executive Director Bill D. Carnahan; SCPPA staff members Steven L. Homer and Geri L. Mitchell; Consulting Financial Manager, Greg Leddy; Consulting Project Administrator Charles E. Patrick; Luan Nguyen, LADWP Nuclear Group; Therese Savery, Bonds and Investments.

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

Also present: Jerry Jordan and Tony Braun of the California Municipal Utilities Association.

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. Clarke moved to approve the minutes of the regular meeting held November 16, 2000. The motion was seconded by Mr. Waters and unanimously approved.

3. Finance Committee

Mr. Carnahan referenced the written report on the meeting of December 4, 2000. Mr. Leddy presented Resolution No. 2000-36, authorizing substitution of a surety bond to free up moneys in the San Juan Unit 3 debt service reserve account and revising the San Juan Unit 3 Power Project Budget for fiscal year 2000/01.

Mr. Clarke moved that Resolution No. 2000-36 be approved. The motion was seconded by Mr. Waters and approved by Project Roll Call Vote, with Anaheim, Los Angeles, and Pasadena present but not voting, and Burbank, Riverside, Vernon and Banning abstaining.

Mr. Leddy also noted that the Finance Committee recommended that the Board receive and file the Financial Statement and Investment Reports for the period ending September 30, 2000.

4. Investment Committee

Mr. Leddy presented the revised SCPPA Investment Policy with the Finance Committee's recommendation that the Board adopt it.

Mr. Davis moved that the Board adopt the revised Investment Policy. The motion was seconded by Ms. Fontaine and unanimously approved.

5. Resource Planning Committee

Mr. Klinkner referenced the written reports of the November 21 and December 19, 2000, meetings, and discussed the topics the Committee is studying, including the proposal from Henwood Energy Services to provide a price forecasting service. Other topics included a combined scheduling entity, a flexible generating facility, and a generic planning agreement.

6. Nominating Committee

Mr. Aghjayan announced that the Committee, consisting Mr. Toor, Mr. Rozanski, and himself as Chair, recommended the nomination of Mr. DeDario as President, and Mr. Davis as Vice President, for the two years beginning January 2001. The offices of Secretary, Assistant Secretary, and Treasurer/Auditor will remain unchanged. The Board will vote on the officers at the January 18, 2001, meeting of the Board of Directors.

7. Consulting Agreement

Mr. Carnahan presented Resolution No. 2000-37, authorizing the execution of a consulting with WTL Trading on behalf of Glendale and Pasadena. Mr. Robledo explained the risk management services to be provided regarding natural gas purchases and noted that other SCPPA Members could also participate.

Mr. Waters moved that Resolution No. 2000-36 be approved. The motion was seconded by Mr. Davis and unanimously approved.

8. Executive Director's Report

Mr. Carnahan referenced his written report and discussed the highlights. Discussion followed regarding current developments in the industry.

9. Project Reports

Mr. Carnahan referenced the written reports.

Mr. Watts reported on a potential settlement regarding Public Service of New Mexico's reorganization.

Mr. Davis reported on the Magnolia Project and announced that Coordination Committee meetings would be held on the second and fourth Mondays of each month at the SCPPA offices.

10. Honorary Resolution

Following lunch, the Board presented an honorary resolution to Mr. Aghjayan, in appreciation for his years of service as a Director and Vice President.

Also at this time, Mr. Aghjayan presented a framed gavel to Mr. Hsu in appreciation for his two-year term as President.


11. Legislative and Regulatory Briefing

The Board was briefed on the results of the recent federal and state elections and on the current state of electric industry restructuring, including regulatory issues, by Deborah Sliz, Gregg Cook, Jerry Jordan, and Tony Braun.

12. Adjournment

There being no further business, the meeting was adjourned at 2:18 p.m.

Respectfully submitted,



Robert K. Rozanski
Assistant Secretary