

MINUTES OF THE APRIL 15, 1993
REGULAR MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

A regular meeting of the Board of Directors was held on April 15, 1993 in the Monterey Room of the Pasadena Hilton Hotel, 150 South Los Robles Avenue, Pasadena, California 91101.

The meeting was called to order at 10:10 a.m. by President Ronald V. Stassi.

The following Board members (M) and alternates (A) were present and acting in their capacity as representative for their member city: Mr. Michael Bell, City of Anaheim (A), Mr. Joseph F. Hsu, City of Azusa (M), Mr. Terry Collins, City of Banning (M), Mr. Ronald V. Stassi, City of Burbank (M), who left at 11:15 a.m., Mr. Gale Drews, City of Colton (M), Mr. Tommy Wu, City of Glendale (A), Mr. Kenneth S. Noller, Imperial Irrigation District (M), Mr. Bernard V. Palk, City of Los Angeles (A), Mr. Henry C. Lee, City of Pasadena (A), Mr. Bill D. Carnahan, City of Riverside (M), and Mr. Kenneth J. DeDario, City of Vernon (A).

Also present were: SCPPA Executive Director, Ms. Linda M. Lazzerino, SCPPA Assistant Secretary, Mr. George R. Spencer, SCPPA staff members, Mr. Charles E. Patrick, Mr. Steven L. Homer, Ms. Manuela Ho, and Ms. Geri Gerhard; Ms. Phyllis E. Currie, LADWP Chief Financial Officer, Mr. Ron F. Balingit, LADWP Nuclear Fuels Group, and Ms. Estrella R. Vilorio, Manager of SCPPA Accounting.

Others attending were: Ms. Margaret L. Chan and Mr. William Baker, Jr., from O'Brien Partners, Edward W. Long, Esquire, and Carolyn Clark, Esquire, from Mudge Rose Guthrie Alexander & Ferdon, Alan Watts, Esquire, from Rourke, Woodruff & Spradlin, Mr. Oscar J. Carlson, from The First Boston Corporation, Mr. Thomas Staz, from Smith Barney, Mr. Don Porter, Morgan Stanley, Mr. Ken Mellor, R. W. Beck and Associates, Mr. Peter K. Sternad, Vice President Municipal Utility Department, Bank of America, Ms. Ingrid Marsh, City of Anaheim, and Mr. Frank Devore and Mr. Robert McGuinness, representing San Diego Gas and Electric Company.

1. Opportunity for the Public to Address the Board

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

Ms. Ingrid Marsh updated the Board on preparations for the APPA Conference in June, and noted that there were still vacancies for Sergeants at Arms and staff for the Local Arrangements Booth.

Mr. Frank Devore, representing San Diego Gas and Electric Company, updated the Board regarding negotiations between SDG&E and Metropolitan Water District to extend the term of a water supply agreement for the Blythe power plant site. He thanked the Board Members for their resolutions of support.

2. Approval of the Minutes
of the Following Meeting

March 18, 1993 Regular Meeting - A motion was made by Mr. Bernard Palk, seconded by Mr. Joseph Hsu and unanimously carried, that the Minutes of the March 18, 1993 Regular Meeting be approved.

3. Matters Related to the Mead-Phoenix/Mead-Adelanto Projects

Mr. Edward Long explained Resolution 1993-7, which authorizes the Authority to execute the Westwing Substation Interconnection Agreement, between the Navajo Participants and the Mead-Phoenix Project line owners, and adds certain operational provisions to the related transmission service contracts.

Mr. Gale Drews moved that Resolution 1993-7, approving the Westwing Interconnection Agreement, be approved. The motion was seconded by Mr. Henry Lee and approved by Roll Call Vote, with Imperial present but not voting.

4. Consideration of and Action Regarding Designation of
Authorized Authority Representatives

Ms. Estrella Viloría explained Resolution 1993-8, which consolidates into one ongoing resolution, for all projects, the designation of Authorized Authority Representatives for investment, requisition, payment requests and other purposes, and adds a Utility Accountant to the list of authorized representatives.

Mr. Bill Carnahan moved that Resolution 1993-8 be approved. The motion was seconded by Mr. Hsu and unanimously approved by Roll Call Vote.

5. Finance Committee

President Stassi reported that the Finance Committee had met on April 13, and again by conference call on April 14, to discuss a possible Multiple Project Revenue Bond refunding. The Finance Committee has a recommendation which is not unanimous, that the existing team of eight bankers be used, with First Boston and Smith Barney serving as co-senior managers, and Smith Barney given the title of Book Manager.

Mr. Michael Bell presented the Finance Committee minority opinion, which also called for First Boston and Smith Barney to be co-senior managers, but for First Boston to be Book Manager, and Smith Barney to be rewarded for bringing the idea forward through the management fee distribution and bond allocation. He felt this was more consistent with the position taken by many of the same cities in a recent IPA financing.

Following considerable discussion regarding the IPA situation, the SCPPA Financing Guidelines, and methods of rewarding innovation, Mr. Ken DeDario moved that the Finance Committee's recommendation be approved. The motion was seconded by Mr. Carnahan and failed to pass on Roll Call Vote.

After further discussion, Mr. Drews moved and Mr. Bell seconded, that First Boston be designated book manager, with the profits being split evenly between First Boston and Smith Barney. This motion also failed to pass on Roll Call Vote.

After more discussion, Mr. Carnahan moved that the Board designate First Boston and Smith Barney as co-senior managers for the proposed multiple project refunding, and direct the Finance Committee and the Financial Advisor to work with the two firms to develop an equitable arrangement of sharing the responsibilities and profits, which could be brought back to the Board for approval. The motion included authorization of preparation of the preliminary documents. The motion was seconded by Mr. Drews and, after further discussion, was unanimously approved by Roll Call Vote.

Mr. Bill Baker discussed several opportunities for restructuring escrows which are being studied by SCPPA Accounting and LADWP Joint Venture staff.

At this point, President Stassi called for a short break. After the break, Vice President Carnahan reconvened the meeting.

6. Executive Director's Reports

Ms. Lazzerino referenced her written report, and noted that the Board notebooks also included revised Legislative Objectives and the 1993 Legislative Agenda. She updated the Board on the status of the San Juan Unit 3 Project, and Mr. Hsu gave the current schedule.

Ms. Lazzerino referred to Mr. Long's memo regarding private use of publicly financed facilities. Mr. Long suggested that a Board Workshop on this topic might be helpful in the future.

Legislative Report

Ms. Lazzerino referenced the Legislative Report in the Board folders, and called the Board's attention to the sections on tax exempt financing and EMF legislation. A letter will be prepared in support of the Neal legislation to repeal the \$15 million private use limitation, and SCPPA will look to the CMUA EMF Committee for the lead in a response to the Miller EMF legislation.

7. Management Reports

Monthly Staff Report

Mr. George Spencer referenced his written report, which details staff's activities for the month.

Hoover

Mr. Charles Patrick referenced his written report in the Board notebooks, and noted that work on the final Uprating Unit has been completed and the unit is undergoing final testing prior to beginning commercial operation in about 30 days.

Mr. Patrick and Mr. Watts updated the Board on the progress of attempts to resolve the remaining issues relating to the Settlement Agreement.

The Board discussed whether to press for an official SCPPA representative or alternate on the E&O Committee. With the understanding that committee meetings would be open and a SCPPA representative could and would plan to attend, the Board did not feel it was necessary to have an official seat on the committee.

Palo Verde

Mr. Palk referenced the written report in the Board notebooks, and Mr. Ron Balingit discussed the results of the NRC inspection following the tube leak incident on Unit 2. Mr. Balingit reported that the unit should be back in service by June 3.

9. Other Business

There being no other business, the Board recessed for lunch.

10. Budget Workshop Session

Upon reconvening, Ms. Lazzerino distributed the Budget Objectives, and explained that staff would be responding to questions and changes to the budget from the April 5 workshop.

Mr. Steven Homer addressed the changes to the budget and to the notes, including:

- 101E Pasadena rent actuals
- 101L Changes in Auditing Services format
- 101S Legislative Advocacy carryover
- 101T Joint Planning carryover
- 204 Agent Billable Costs - removal of unfilled position, addition of Azusa and IID, Western sharing LA General and Pasadena Allocated costs, Change allocation percentages due to addition of San Juan.

It was agreed to put the \$39,000 Joint Planning carryover in the budget column, and charge the proposed Board Planning Retreat here, rather than create a separate item.

Ms. Lazzerino proposed staff life insurance at whatever level is set when the Board adopts a comprehensive benefits package. Funding would be authorized by that action.

Mr. Watts addressed the issue of paying the cost of PERS Medical coverage for retired employees. He is investigating SCPPA's obligation to provide and/or pay for the coverage.

Expansion/Consolidation

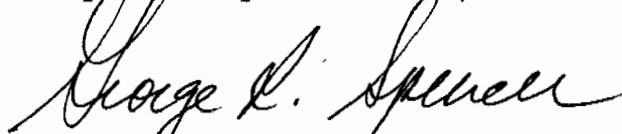
The Board discussed various aspects of moving staff to a central location, adding a financial officer, engineer, and additional clerical, and transitioning Los Angeles employees to direct SCPPA employment.

Additional cost comparisons were requested, and further discussion will be held at the Board Retreat. It was decided that funds for expansion/consolidation would not be included in the budget at present. Once the final decisions have been made, the budget will be amended as appropriate.

11. Adjournment

There being no further business, the meeting was adjourned at 2:08 p.m.

Respectfully submitted,



GEORGE R. SPENCER
Assistant Secretary

c: Board of Directors

MINUTES OF THE APRIL 5, 1993
SPECIAL MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

BUDGET WORKSHOP

A special meeting of the Board of Directors was held on April 5, 1993, in the conference room at the City of Azusa Light and Power conference room, 777 N. Alameda Avenue, Azusa, California 91702.

The meeting was called to order at 1:15 p.m. by President Ronald V. Stassi.

The following Board members (M) and alternates (A) were present and acting in their capacity as representative for their member city: Edward K. Aghjayan, City of Anaheim (M), Joseph F. Hsu, City of Azusa (M), Ronald V. Stassi, City of Burbank (M), Gale A. Drews, City of Colton (M), Michael P. Hopkins, City of Glendale (M), Bernard V. Palk, City of Los Angeles (A), Bill D. Carnahan, City of Riverside (M), and Kenneth J. DeDario, City of Vernon (A).

Also present were: SCPPA Executive Director, Linda M. Lazzerino, and SCPPA staff members George R. Spencer, and Steven L. Homer.

Others attending were: B C Monk, LADWP Director of Joint Venture Accounting, Estrella R. Vilorio, Manager, SCPPA Accounting, and Michael Bell, City of Anaheim.

1. SCPPA Administrative & General Budget, FY 1993-94

The first draft of the 1993-94 A&G Budget was reviewed and discussed. Changes were suggested and questions were raised for staff to research, including the following areas:

- Payment of PERS Medical Insurance for retired employees.
- Checking actual costs of Pasadena Office rent.
- Reducing the Travel and Conference budget.
- Eliminating the subscription to Energy Daily.
- Listing the Project Audits separately and issuing an RFP for Auditing Services next year.
- Checking actual costs of Joint Planning.
- Allocation of costs among Legal Services, Corporate Counsel, and Bond Counsel.

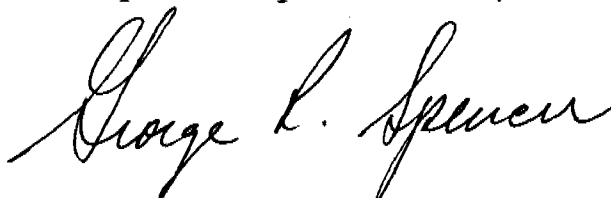
2. Proposed Consolidation/Expansion of Pasadena Office

The Strategic Planning Committee's suggestion to expand the Pasadena staff and relocate the Conservation and Planning staff at Pasadena was discussed, as well as the concept of transitioning Los Angeles employees to direct SCPPA employment.

Adjournment

There being no further business, the meeting was adjourned at 4:10 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "George R. Spencer". The signature is written in dark ink and is positioned above the typed name.

GEORGE R. SPENCER
Assistant Secretary

c: Board of Directors