

MINUTES OF THE MAY 20, 1993
REGULAR MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

A regular meeting of the Board of Directors was held on May 20, 1993 in the San Diego Room of the Pasadena Hilton Hotel, 150 South Los Robles Avenue, Pasadena, California 91101.

The meeting was called to order at 10:05 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. Edward K. Aghjayan, City of Anaheim (M), Mr. Joseph F. Hsu, City of Azusa (M), Mr. Terry Collins, City of Banning (M), Mr. Ronald V. Stassi, City of Burbank (M), Mr. Gale Drews, City of Colton (M), Mr. Michael P. Hopkins, City of Glendale (M), Mr. Kenneth S. Noller, Imperial Irrigation District (M), Mr. Kenneth S. Miyoshi, City of Los Angeles (A), Mr. Henry C. Lee, City of Pasadena (A), Ms. Donna Stevener, City of Riverside (A), 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; Mr. Ron F. Balingit, LADWP Nuclear Fuels Group, Mr. B C Monk, LADWP Director of Joint Venture Accounting, and Ms. Estrella R. Viloría, Manager of SCPPA Accounting.

Others attending were: Mr. John J. O'Brien, Ms. Margaret L. Chan and Mr. William Baker, Jr., from O'Brien Partners, Edward W. Long, Esquire, from Mudge Rose Guthrie Alexander & Ferdon, Alan Watts, Esquire, from Rourke, Woodruff & Spradlin, Mr. James E. Scott and Mr. Oscar J. Carlson, from The First Boston Corporation, Mr. Eric Seder and Mr. Thomas Staz, from Smith Barney, Ms. Ingrid Marsh, City of Anaheim, Mr. Gerald D. Wolf, City of Azusa, Mr. Tommy Wu, City of Glendale, Mr. Albert H. Skeath, U.S. Energy Association Program Coordinator, Mr. Armen Arzumanian, Chief of Ministry of Energy and Fuel in Armenia, and Mr. Ruben Oganessian, Deputy Chief, Department of Electric Power Distribution in Armenia.

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.

2. Approval of the Minutes
of the Following Meetings

April 5, 1993 Special Meeting -
April 15, 1993 Regular Meeting -

A motion was made by Mr. Ken DeDario, seconded by Mr. Michael Hopkins and unanimously approved, that the Minutes of the April 5, 1993 Special Meeting and the April 15, 1993 Regular Meeting be approved.

3. Matters Related to the San Juan Unit 3 Project

Mr. Edward Long explained Resolution 1993-9, which establishes the project voting arrangements for San Juan; Resolution 1993-10, which approves an amendment to the San Juan Unit 3 Purchase Agreement extending the time limit; Resolution 1993-11, which allows the use of derivative products in the financing; and Resolution 1993-12, which adopts three policies regarding the San Diego/Nevada layoffs, private use limits, and scheduling procedures.

Mr. Drews moved that Resolution 1993-9 be approved. The motion was seconded by Mr. Hsu and unanimously approved by Roll Call Vote.

Mr. Drews moved that Resolutions 1993-10, 1993-11, and 1993-12 be approved. The motion was seconded by Mr. Hsu and approved by Roll Call Vote, with Anaheim, Riverside and Vernon present but not voting.

4. SCPPA Budgets for Fiscal Year 1993-94 and Related Matters

Methodology Regarding Allocation of General Expenses

Mr. Steven Homer explained Resolution 1993-13, which revises the methodology for allocating general expenses among the projects to include the costs of other agents as well as those of Los Angeles in the calculations. He noted that a paragraph was to be added making clear that the resolution would become effective July 1.

Mr. Hsu moved that Resolution 1993-13 be approved. The motion was seconded by Mr. Collins and unanimously approved by Roll Call Vote.

Approval of SCPPA Administrative and General Budget
and Allocation Formula for Administrative and General Expenses

Mr. Homer presented the Administrative and General Budget for Fiscal Year 1993-94.

Mr. Drews moved that Resolution 1993-14, approving the Administrative and General Budget and setting the allocation formula for general expenses, be approved. The motion was seconded by Mr. Lee and unanimously approved by Roll Call Vote.

Resolution 1992-2 Account for Legislative Advocacy

Mr. Homer explained Resolution 1993-15, which provides for a \$48,000 contribution to the Resolution 1992-2 Account, to be used specifically for legislative advocacy.

Mr. Hopkins moved that Resolution 1993-15 be approved. The motion was seconded by Mr. Aghjayan and unanimously approved by Roll Call Vote.

Palo Verde Budget for Fiscal Year 1993-94

Mr. Chuck Patrick presented the Palo Verde Budget and explained the changes from the previous year. Mr. DeDario moved that Resolution 1993-16, approving the Palo Verde Budget, be approved. The motion was seconded by Mr. Lee and approved by Roll Call Vote, with Anaheim present but not voting.

Southern Transmission System Budget for Fiscal Year 1993-94

Mr. Homer presented the Southern Transmission System Budget. Mr. Lee moved that Resolution 1993-17, approving the Southern Transmission System Budget, be approved. The motion was seconded by Mr. Hopkins and approved by Roll Call Vote, with Azusa, Banning Colton, Imperial, and Vernon present but not voting.

San Juan Unit 3 Project Budget for Fiscal Year 1993-94

Mr. Homer presented the San Juan Unit 3 Budget, and explained that the budget would probably need to be amended when the true debt service figures are known after the financing. He also noted that corrections would be made in Resale and the Estimated Energy columns to reflect the change from calendar to fiscal year. Mr. Drews moved that Resolution 1993-18, approving the San Juan Budget as corrected, be approved. The motion was seconded by Mr. Collins and approved by Roll Call Vote, with Anaheim, Pasadena, Riverside, and Vernon present but not voting.

5. Third Quarter Budget Review - Southern Transmission System

Mr. Homer presented the Third Quarter Budget Comparison for the Southern Transmission System.

6. Matters Related to the Southern Transmission System

Ms. Lazzerino and Mr. O'Brien explained that the opportunity to advance refund certain STS bonds will end June 30, and that the traditional 5% present value savings target cannot currently be met. Discussion followed regarding lowering the minimum target to 3% present value savings, but there was no motion to change the target for this transaction.

7. Finance Committee

President Stassi summarized the Finance Committee's May 3 meeting, and referenced the written report in the Board notebooks.

Mr. Long explained Resolution 1993-20, which authorizes SCPA officers and staff to optimize the Authority's investment program by entering into transactions such as escrow restructuring or interest rate exchange agreements, etc. Such transactions would not need Board approval, but would be approved by the President or Vice President, in consultation with the Financial Advisor, and with the approval of the Finance Committee.

Mr. Aghjayan moved that Resolution 1993-20 be approved. The motion was seconded by Mr. Drews and unanimously approved by Roll Call Vote.

8. Executive Director's Reports

Ms. Lazzerino referenced her May 20 memo outlining her proposal for a Board Retreat Facilitator. Following discussion on the value of using a facilitator, it was agreed that Ms. Lazzerino would proceed as proposed except that she would set up interviews with prospective facilitators and invite the members of the Strategic Planning Committee to participate in the selection. Further discussion took place regarding the dates and location, the appropriate attendees, and the goals of the retreat.

Ms. Lazzerino referenced the Legislative Report in the Board folders, and discussed proposed resolutions to the APPA L&R Committee and the development of a discussion paper preparatory to a long-range financial plan for SCPA.

9. Management Reports

Monthly Staff Report

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

Palo Verde

Mr. Miyoshi referenced the written report in the Board notebooks, and updated the Board on the status of the units.

Mr. Watts updated the Board on the proposed merger between Central & Southwest and El Paso Electric, and the possibility of a competing merger plan from Southwestern Public Service.

Hoover

Mr. Charles Patrick referenced his written report in the Board folders, and noted that resolution of the remaining issues relating to the Settlement Agreement is nearly complete. He also updated the Board on the status of the final uprated unit and an ongoing problem with seal rings.

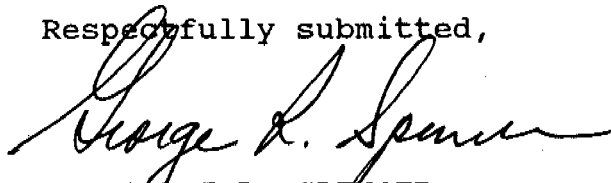
10. Other Business

The Executive Committee was directed to consider Mr. Watts' memo regarding Medical Benefits for Retirees and report back to the Board.

11. Adjournment

There being no further business, the meeting was adjourned at 11:46 a.m.

Respectfully submitted,



GEORGE R. SPENCER
Assistant Secretary

c: Board of Directors