

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

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

The meeting was called to order at 10:07 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. Tommy Wu, City of Glendale (A), Mr. Kenneth S. Noller, Imperial Irrigation District (M), Mr. Bernard V. Palk, City of Los Angeles (A), Mr. David C. Plumb, City of Pasadena (M), 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. 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. Vilorio, Manager of SCPPA Accounting.

Others attending were: Ms. Margaret L. Chan, from O'Brien Partners, Edward W. Long, Esquire, from Mudge Rose Guthrie Alexander & Ferdon, Mr. Oscar J. Carlson, from The First Boston Corporation, Mr. Peter K. Sternad, Vice President Municipal Utility Department, Bank of America, Mr. Henry C. Lee, City of Pasadena, Mr. Thomas Uechi, LADWP Energy Services, Mr. Douglas E. Varner, LADWP Environmental and Governmental Affairs, Mr. Gerald R. Zimmerman, State of California, Colorado River Board, Mr. Winston H. Peterson and Mr. Don Larson, Prager, McCarthy & Sealy.

1. Opportunity for the Public to Address the Board

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

Mr. Gerald Zimmerman of the Colorado River Board briefed the Board on the proposed designation of 2,094 miles of river reaches, including the Colorado River, as critical habitat for four endangered fish species. This could significantly affect the operation of Hoover Dam, Davis Dam, and Parker Dam.

The Fish and Wildlife Service will submit supporting documents for public review and comment in September 1993, covering both biological and economic aspects of the critical habitat designation.

The Colorado River Board and the six public agencies which sit on that Board have undertaken to actively review the documents and to participate in the process. The six public agencies are MWD, IID, Coachella Valley Water District, LADWP, the San Diego County Water Authority, and the Palo Verde Irrigation District. Five consulting firms have been retained and \$500,000 has been authorized to assist the analysis of the efforts of the Fish and Wildlife Service's efforts to designate the critical habitat.

Mr. Zimmerman invited SCPPA to participate in the Colorado River Board's efforts to guide the process and minimize any effects on power production at Hoover Dam. He suggested a participation level of \$50,000, excluding Los Angeles and IID, who are already participating.

SCPPA Staff was directed to prepare a recommendation on levels of participation for the next SCPPA Board Meeting.

2. Approval of the Minutes of the Following Meeting

May 20, 1993 Regular Meeting -

A motion was made by Mr. Ken DeDario, seconded by Mr. Joseph Hsu and unanimously approved, that the Minutes of the May 20, 1993 Regular Meeting be approved.

3. Revised SCPPA Budgets for Fiscal Year 1993/94

San Juan Unit 3

Mr. Steven Homer explained Resolution 1993-22, which authorizes the revision of the San Juan Unit 3 Budget to reflect lower than estimated debt service. Mr. Gale Drews moved that Resolution 1993-22 be approved. The motion was seconded by Mr. Terry Collins and approved by Roll Call Vote, with Anaheim, Los Angeles, Pasadena, Riverside and Vernon present but not voting.

Palo Verde

Mr. George Spencer explained the revision to the Palo Verde Budget to reflect the flow of funds into the General Reserve Fund to pay the debt service on the subordinate debt created by the most recent refunding. There is no change in total amounts, only in the flow of funds to a different account. Mr. DeDario moved that Resolution 1993-21, amending the Palo Verde Budget, be approved. The motion was seconded by Mr. David Plumb, and approved by Roll Call Vote, with Anaheim present but not voting.

4. Finance Committee Report

Mr. Oscar Carlson summarized the closing of the San Juan Unit 3 financing, with a true interest cost of 5.646%, and the Southern Transmission System refunding, which yielded a present value savings of 5.7% and a true interest cost of 5.486%.

5. Executive Director's Reports

Ms. Lazzerino referenced her written report and discussed highlights of the legislative report from Deborah Sliz, which included global warming, budgeting for EMF research, and retail wheeling. President Stassi pointed out that there are conflicts between the WSCC and CMUA positions on wheeling and regional transmission groups. Ms. Lazzerino and the advocate are keeping track of the various positions.

Mr. Aghjayan referred to Ms. Lazzerino's memo and asked her to review SCPPA's coverage of state issues. SCPPA relies on CMUA materials for notice of issues of importance to SCPPA. Ms. Lazzerino then responds as time and resources permit, with the most active response allocated to those issues directly affecting the Authority.

6. Management Reports

Monthly Staff Report

Mr. George Spencer referenced his written report, which details staff's activities for the months of May and June.

Palo Verde

Mr. Bernard Palk referenced the written report and updated the Board on testing and inspection of Unit 2. Scheduled startup is August 9.

Hoover

Mr. Spencer referenced Mr. Patrick's written report, and noted that Mr. Patrick and Mr. Watts were in Phoenix attending one of seven tentatively scheduled meetings regarding implementation of the negotiated issues from the Settlement Agreement regarding rate structure and credit allocation.

Mead-Phoenix/Mead-Adelanto

Mr. Spencer presented the first quarterly cost report for the Mead-Phoenix and Mead-Adelanto Projects.

7. Other Business

Mr. Stassi received a written report from Frank DeVore regarding a meeting held with MWD, copies of which will be sent to Board Members.

Mr. Ed Aghjayan reviewed the financial status after the APPA national conference hosting activities. Surplus money from the local arrangements funds will be returned to the donors (NCPA, CMUA, APPA) on a prorated basis. Left-over money from the separate golf tournament fund will be held for future annual SPCPA golf tournaments.

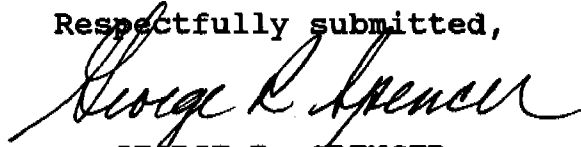
Mr. Spencer distributed pictures of San Juan Unit 3 to the project participants.

At this point the Board went into closed session to consider personnel matters pursuant to Government Code Section 54957.6

8. Adjournment

There being no further business upon reconvening from closed session, the meeting was adjourned at 11:57 a.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "George R. Spencer".

GEORGE R. SPENCER
Assistant Secretary

c: Board of Directors