

MINUTES OF THE SEPTEMBER 16, 1993
REGULAR MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

A regular meeting of the Board of Directors was held on September 16, 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 10:12 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. Eldon A. Cotton, City of Los Angeles (M), Mr. David C. Plumb, City of Pasadena (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; 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 and Mr. William A. Baker, Jr., from O'Brien Partners, Stephen T. Cole, Esquire, from Mudge Rose Guthrie Alexander & Ferdon, Mr. Oscar J. Carlson, from The First Boston Corporation, Mr. Donald R. Larson, Jr., Prager, McCarthy & Sealy, Mr. Eric G. Seder and Mr. William H. Pinakiewicz, from Smith Barney Shearson, Mr. Peter C. Lewis, from LewisGroup, Mr. J. Donald Porter, from Morgan Stanley, Mr. Olaf M. Falkenhagen, from Price Waterhouse, Mr. Lester Graves Lennon, Vice President, Samuel A. Ramirez & Co., Mr. Brian J. Brady and Mr. Dave Kolk, City of Anaheim, and Mr. Tommy Wu, City of Glendale.

1. Opportunity for the Public to Address the Board

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

2. Approval of the Minutes of the Following Meeting

July 15, 1993 Regular Meeting -

A motion was made by Mr. Gale Drews, seconded by Mr. David Plumb and unanimously approved, that the Minutes of the July 15, 1993 Regular Meeting be approved as corrected.

3. SCPPA Budgets for Fiscal Year 1993/94

Hoover

Mr. Charles Patrick explained Resolution 1993-23, which authorizes the 1993-94 Hoover Upgrading Project Budget, and discussed the variances from the previous year. Mr. Drews moved that Resolution 1993-23 be approved. The motion was seconded by Mr. Plumb and approved by Roll Call Vote, with Glendale, Imperial, Los Angeles, and Pasadena present but not voting and Riverside absent.

Southern Transmission System

Mr. Steven Homer explained that, due to confusion over the correct combined debt service obligation, the revised STS Budget would not be presented today, but would be coming back for approval in October.

Mr. Homer noted that the \$586,000 savings from the 1993 Escrow Reoptimization will not be included in the revised budget, but will be used as a direct credit towards Operating and Maintenance costs on a future monthly bill.

4. Critical Habitat Study Task Force

Mr. Patrick informed the Board that Glendale had elected to participate in the Critical Habitat Study Task Force on their own, not through SCPPA. The remaining SCPPA members will participate as a group, with a joint contribution of \$43,794 (\$50,000 minus what would have been Glendale's share). The joint contribution will be added to members' power bills, and identified as Resolution 1993-25 contribution.

Mr. Drews moved that Resolution 1993-25, authorizing the collection of \$43,794 for a contribution to the Critical Habitat Study, be approved. The motion was seconded by Mr. Ken DeDario and approved by Roll Call Vote, with Riverside absent.

5. Executive and Employee Benefit Policies

Mr. Joseph Hsu presented the draft employee benefit policies for regular employees and executive employees. After discussion, the Board requested the policies be brought back next month with several revisions and clarifications.

6. Annual Operating Budget Reports

Palo Verde

Mr. Homer explained to the Board that there was a \$3.6 million (2.79%) overcollection on Palo Verde for Fiscal Year 1992-93. This will appear as a credit on the next monthly bill. He noted that the detailed report would be mailed at a later date.

Southern Transmission System

Mr. Homer presented the annual report for the Southern Transmission System, which was less than 1% over budget. The result is an \$867,000 undercollection, which will be billed next month.

7. Audit Committee Report

President Stassi reported that the Audit Committee had met on September 14 to review the Price Waterhouse audit and report. Mr. Olaf Falkenhagen from Price Waterhouse presented the Report and Financial Statements, and discussed the key issues.

President Stassi reported that the Audit Committee recommended to the Finance Committee that an RFP for auditing services not be issued next year. The Committee felt that the same auditor should be used for 4-6 years.

8. Joint Planning Subcommittee Annual Report

Mr. Plumb presented the report of the year's activities and proposed activities for FY 1993-94. After discussion, it was agreed to have the Chairman of the Subcommittee present the report with more detail regarding future plans at the October Board Meeting in Riverside.

9. Finance Committee Reports

President Stassi referenced the two written reports of the Finance Committee meetings of August 2 and September 2, and summarized the issues discussed.

Mr. Drews moved that the Board confirm the letter agreement with O'Brien Partners regarding the 1993 Escrow Restructurings. The motion was seconded by Mr. Hsu and unanimously approved.

10. Executive Director's Report

Ms. Lazzerino referenced her written report and Ms. Sliz' Legislative Report, and addressed the \$7,000 supplemental bill from CMUA for continuing WATSCO efforts. Mr. Cotton moved that the Board approve payment of the supplemental bill. The motion was seconded by Mr. Hopkins and unanimously approved.

Ms. Lazzerino introduced Mr. Stephen Cole from Mudge Rose, who explained Mr. Long's transition to private practice. Mr. Cole assured the Board that Mr. Long would remain "of counsel" at Mudge Rose and would continue to spend significant time on SCPPA matters.

Ms. Lazzerino pointed out the highlights of her report, and led a discussion about a proposed legislative staff tour.

Mr. Peter Lewis updated the Board on planning activities for the Directors' Strategic Planning Retreat, and reviewed the draft agenda.

11. Management Reports

Monthly Staff Report

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

Palo Verde

Mr. Cotton referenced the written report and updated the Board on the operation of Unit 2.

Hoover

Mr. Patrick referenced his written report, and noted upcoming meetings regarding Settlement Issues and Critical Habitat.

12. Other Business

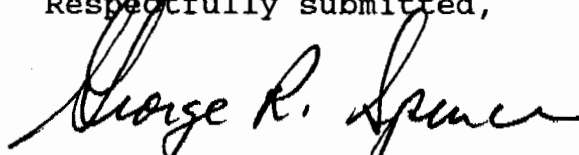
There was no other business.

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

13. Adjournment

There being no further business upon reconvening from closed session, the meeting was adjourned at 1:03 p.m.

Respectfully submitted,

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

GEORGE R. SPENCER
Assistant Secretary

c: Board of Directors