

AMENDED JANUARY 26, 1994

RECEIVED

MINUTES OF THE NOVEMBER 18, 1993  
REGULAR MEETING OF THE  
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY SCPPA - PASADENA  
JAN 28 1994

A regular meeting of the Board of Directors was held on November 18, 1993, in the San Diego Room of the Pasadena Hilton Hotel, 150 South Los Robles Avenue, Pasadena, California.

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. Michael Bell, City of Anaheim (A), Mr. Edward K. Aghjayan, City of Anaheim (M), who arrived at 10:55 a.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. 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; Mr. Bernard V. Palk, LADWP Assistant Chief Engineer, Power, Mr. B C Monk, LADWP Director of Joint Venture Accounting, and Ms. Estrella R. Vilorio, Manager of SCPPA Accounting.

Others attending were: Mr. William A. Baker, Jr., from O'Brien Partners, Edward W. Long, Esquire, Samuel Poss, Esquire, and Stephen T. Cole, Esquire, from Mudge Rose Guthrie Alexander & Ferdon, Alan Watts, Esq., from Rourke, Woodruff & Spradlin, Mr. James E. Scott, from CS First Boston Corporation, Mr. Donald R. Larson, Jr., from Prager, McCarthy & Sealy, Mr. Eric G. Seder, from Smith Barney Shearson, Ms. Leslie Spencer, from Samuel A. Ramirez & Co., Mr. Edward Burdett, from Goldman Sachs, Ms. Deborah Sliz, APCO Associates, Inc., Mr. Brian J. Brady, City of Anaheim, Mr. Henryk Olstowski, Imperial Irrigation District, Mr. Joe Awad, LADWP, Mr. Alan Vallow, LADWP, Ms. Ingrid Marsh, City of Anaheim, Mr. Steve Dworkin, Bear Stearns, Mr. Peter K. Sternad, Vice President Municipal Utility Department, Bank of America, Mr. Ken Mellor, from R. W. Beck, and Mr. Hermann F. Huettemeyer, Southern California Edison Company.

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

October 21, 1993, Special Meeting -

A motion was made by Mr. Gale Drews, seconded by Mr. Brian Brady and unanimously approved, that the Minutes of the October 21, 1993 Special Meeting be approved.

3. Matters Related to the Palo Verde Project

Ms. Lazzerino discussed the proposal to use excess funds in the Authority's Palo Verde Decommissioning Trust Fund II and Initial Facilities Account to pay current year debt service on the senior Palo Verde Project bonds, and thus reduce the monthly costs to the participants.

Mr. Ed Long explained Resolution No. 1993-29, which authorizes the transfer and use of the excess funds, and authorizes the amending of the 1993-94 budget to reflect the reduced debt service costs to be billed to the participants.

Mr. Eldon Cotton moved that Resolution No. 1993-29 be approved. The motion was seconded by Mr. Ken DeDario and approved by Roll Call Vote, with Anaheim abstaining.

4. Matters Related to the Hoover Uprating Project

Ms. Lazzerino discussed the proposal to use excess funds in the Authority's Hoover Uprating Project Cost of Acquisition of Capacity Account to retire outstanding bonds.

Mr. Long explained Resolution No. 1993-30, which authorizes the transfer and use of the excess funds.

Mr. Joe Hsu moved that Resolution 1993-30 be approved. The motion was seconded by Mr. Michael Hopkins and approved by Roll Call Vote, with Imperial present but not voting, and Los Angeles and Vernon abstaining.

5. SCPPA Employee Benefits

Ms. Lazzerino led the discussion of the benefits packages for SCPPA employees and executives. Section A.4. of the employee was amended to limit the length of unpaid leave at the Executive Director's discretion to 120 calendar days. Leaves longer than 120 calendar days will require Board approval. Mr. Watts noted that the words "or Medicare" should be removed from Section C.

Mr. Drews moved that Resolution 1993-31, which approves the employment benefits for Executives (Attachment A) and Employees (Attachment B) be approved as amended. The motion was seconded by Mr. Hsu and unanimously approved by Roll Call Vote.

6. San Juan Unit 3 Agency Agreements

Ms. Lazzerino explained the need to terminate the existing agency agreements with Azusa and Imperial, and approve a new agreement with Imperial.

Mr. Alan Watts explained that the new Imperial agreement was basically the same as the old Azusa agreement, with Imperial to provide the services for which Azusa was previously responsible.

The discussion was deferred to the December Board Meeting, to give the parties time to review the agreement.

Mr. Henryk Olstowski reported on the status and performance of the unit, and his activities with the E&O Committee and the Designated Representative Task Force.

7. SCPPA Office Location

Mr. Cotton discussed the need for a response to Mr. Hsu's offer of leased office space in a new building to be constructed by Azusa. He introduced Mr. Joe Awad, who had done a preliminary study of the number and length of trips made by SCPPA Directors and employees, and plotted the centroid office location under different scenarios. Based on this mileage-driven data, Azusa did not appear to be an ideal location, and the Board did not give a commitment to Mr. Hsu.

Discussion followed regarding the appropriateness of including trips from home to the office for the Executive Director and Office Manager, and the need to consider other factors, such as rental price, future expansion, and travel time, as well as mileage. Mr. Stassi noted that the Executive Director's transmittal memo had contemplated that those factors would be considered as a phase II study of location.

Mr. Ed Aghjayan moved that the issue be considered within the current fiscal year by the Strategic Planning Committee in conjunction with the expanded staffing issue, and that Board Meetings be held at locations other than Pasadena in alternate months. The motion was seconded by Mr. DeDario and unanimously approved.

Mr. George Spencer was directed to arrange a schedule of Board Meetings beginning with Anaheim in January.

8. Finance Committee Reports

President Stassi referenced the written report of the Finance Committee meeting of November 1, and summarized the issues discussed.

President Stassi called attention to the proposed schedule of review of consultants attached to the written report. He pointed out that issuance of RFP's was likely but not required during each evaluation, and that the Finance Committee would bring a report of each evaluation to the Board.

Mr. William Baker updated the Board on the status of the Multiple Project Revenue Bond Refunding, and indicated a schedule leading to a possible sale in January.

9. Minority/Women-Owned Business Enterprise Policy

President Stassi reviewed prior discussion regarding the desirability of SCPPA adopting a MBE/WBE policy. A committee chaired by Greg Simay was appointed to investigate the appropriateness of SCPPA adopting such a policy. Los Angeles and Riverside agreed to supply committee members.

10. Executive Director's Report

Ms. Lazzerino referenced her written report and noted that policy changes at Los Angeles and the intensive nature of Mr. Patrick's involvement with the Critical Habitat issue are impacting staff's availability.

She called attention to the 1994 Legislative Agenda and the APPA Filing with FERC on Transmission Pricing.

11. Management Reports

Monthly Staff Report

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

## Hoover

Mr. Patrick summarized developments regarding Critical Habitat, Plant Status, and the Settlement Issues.

He told of the creation of a Critical Habitat Steering Committee including California, Arizona, and Nevada, and the planned activities and expenses.

Mr. Patrick described the completion of the uprating of the 17 units, and noted that the plant is operating at full capacity. He noted that the Bureau of Reclamation is now claiming a higher total capacity than was expected to be achieved by the uprating. He and Mr. Watts will investigate further and report to the Board.

Mr. Watts discussed current litigation and strategy regarding the Settlement Issues.

## Palo Verde

Mr. Cotton reviewed the status of the plant, and directed the Board's attention to the section of his report on steam generator strategy, which is to try to ensure that the steam generators last the lifetime of the plant. Operating at 85% power will minimize further degradation of the steam generator tubes until a permanent solution is implemented.

Mr. Cotton reported that he had signed on behalf of SCPPA the El Paso Cure and Assumption Agreement. Mr. Watts suggested that the Board ratify Mr. Cotton's action. Mr. Cotton recommended that the ratification be delayed to the December meeting to enable the Board Members to review the Cure and Assumption Agreement prior to voting.

## 11. Other Business

There was no other business.

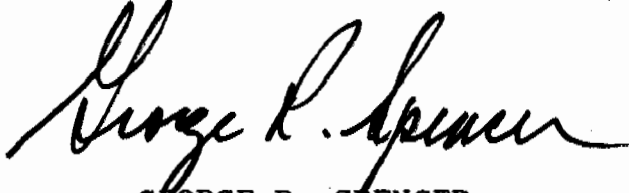
At this point the Board went into closed session to consider pending or threatened litigation or personnel matters pursuant to Government Code Section 54956.9 and Section 54957.6.

During the closed session, the Board approved Resolution 1993-34, a separation agreement with the Executive Director, and Resolution 1993-35, payment to the Executive Director of approved leave.

12. Adjournment

There being no further business upon reconvening from closed session, the meeting was adjourned at 11:18 a.m.

Respectfully submitted,

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

GEORGE R. SPENCER  
Assistant Secretary

c: Board of Directors

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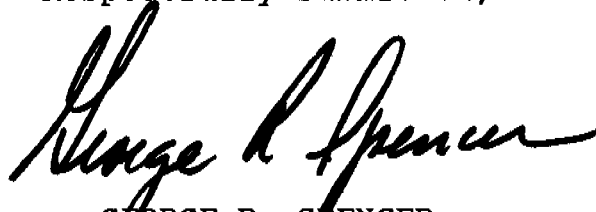
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GEORGE R. SPENCER  
Assistant Secretary

c: Board of Directors