

MINUTES OF THE MARCH 19, 1992  
REGULAR MEETING OF THE  
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

A regular meeting of the Board of Directors was held on March 19, 1992, in the Santa Barbara Room of the Pasadena Hilton Hotel, 150 South Los Robles Avenue, Pasadena, California 91101.

The meeting was called to order at 10:04 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. Nitin Modi, City of Colton (A), Mr. Tommy Wu, City of Glendale (A), Mr. Eldon A. Cotton, City of Los Angeles (M), Mr. George F. Morrow, 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 and Ms. Nellie Ho, Ms. Estrella A. Vilorio, Manager of SCPPA Accounting, Mr. B C Monk, LADWP Director of Joint Venture Accounting, Mr. William G. Williams, LADWP Finance and Accounting, Mr. Bruce Blowey, and Mr. Ronald Balingit, LADWP Power Operating and Maintenance Division. Others attending were: Ms. Margaret Chan and Mr. William A. Baker, Jr., representing O'Brien Partners, Edward W. Long, Esquire, from Mudge Rose Guthrie Alexander & Ferdon, Mr. Sam Al-Imam from Dean Witter Reynolds Inc., Mr. Peter K. Sternad, Vice President Municipal Utility Department, Bank of America, Mr. Eric Seder and Mr. Tim Rattigan from Smith Barney, Harris Upham & Company, Inc., Mr. Mark V. Allen, from Southern California Edison, and Ms. Lisa Handley and Mr. Marlon Quan from M. R. Beal & Company.

1. Approval of the Minutes  
of the Following Meeting

February 20, 1992, Regular Meeting - A Motion was made by Mr. Joseph Hsu, seconded by Mr. Eldon Cotton, and unanimously carried that the Minutes of the February 20, 1992 Regular Meeting be approved.

2. Matters Relating to the  
Palo Verde Project

Project Report

Mr. Eldon Cotton reported that due to problems encountered early in the refueling of Unit I, the 70-day refueling goal is not attainable. The refueling is now expected to be complete in mid-May.

Mr. Cotton noted that although SCPPA is at risk for a small amount of unpaid pre-petition El Paso bills, El Paso has been paying their post-petition bills.

Mr. Bruce Blowey stated that he had attended one of the El Paso bankruptcy hearings in Austin, and updated the Board on current developments. Mr. Cotton felt that Arizona Public Service was doing a good job of monitoring the situation and keeping everyone informed, but that SCPPA might want to more closely monitor opportunities or liabilities in relation to the participation agreements. It was recognized that Mr. Watts' representation of SCPPA might increase in this regard.

Second Quarter Budget Comparison

Mr. Chuck Patrick presented the Palo Verde Nuclear Project Second Quarter Budget Comparison for the Fiscal Year July 1, 1991 through June 30, 1992, and explained noteworthy variances.

At this point Mr. Stassi announced that the Board would go into closed session (Agenda Item 11) pursuant to Government Code Sections 54956.9 and 54957.6.

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

Project Report

Mr. George Spencer reported that he had attended a meeting in Las Vegas to review the Westwing and McCullough interconnection agreements, which must be completed before the Mead-Phoenix/Mead-Adelanto long-term agreements can be entered into. It now appears that these two agreements will not be ready for execution until June at the earliest.

### Discussion of Rating Agency Visit

Ms. Linda Lazzerino reported that current plans called for visiting the rating agencies only, and not making presentations to the general financial community. Tentative plans are for the small group of Board Members (Anaheim, Burbank, Colton, Los Angeles, Riverside) to visit the agencies on May 12 and 13.

Ms. Margaret Chan discussed the tentative schedule, and the possibility of holding a workshop for the Finance Committee to review the presentation in advance.

### Resolution Regarding Allocation of General Expenses

Mr. Spencer explained Resolution No. 1992-10, which changes the allocation of general expenses among the projects to include Mead-Adelanto. Mr. George Morrow moved that Resolution No. 1992-10 be approved. The motion was seconded by Mr. Tommy Wu and unanimously approved.

#### 4. Matters Relating to the Hoover Uprating Project

##### Project Report

Mr. Patrick reported that the 14th Unit of the Uprating Project was returned to service on February 26, and the remainder of project is on schedule. Mr. Patrick also updated the Board on the status of the credit carry-forwards and the rate methodology issue.

#### 5. Matters Relating to the Southern Transmission System Project

##### Project Report

Ms. Lazzerino reported that the STS refunding has been postponed due to current market conditions. The Finance Committee is following the situation and the Board will be informed when favorable conditions return.

##### Second Quarter Budget Comparison

Mr. Spencer referenced the Southern Transmission System Second Quarter Budget Comparison for the Fiscal Year July 1, 1991 through June 30, 1992, and explained the noteworthy variances.

6. Finance Committee Report

President Stassi reported that the Finance Committee met on March 2, and developed a draft mission statement. The Committee also discussed a draft proposal for interacting with the banking community, specifically, policy for accepting unsolicited proposals, underwriter selection, and a possible prequalification list of potential underwriters. The Committee will meet again on April 6 to further discuss these topics, and will be preparing documents to present to the Board for discussion and approval.

7. Strategic Planning Committee

Mr. Bill Carnahan suggested that the Strategic Planning Committee meet again to discuss current and future objectives. Discussion followed regarding the development of a mission statement and a 5-year strategic plan.

8. Executive Director's Report

Legislative Report

Ms. Lazzerino referenced the monthly report from Deborah Sliz. Ms. Lazzerino called attention to the California Desert Field Hearing, to be held April 4 in Palm Desert. She noted that to the best of her knowledge (with the possible exception of Imperial) the bills to be discussed at the hearing do not interfere with the transmission plans of any of the members. However, members should verify that understanding and follow up if there is any question.

Ms. Lazzerino stated that Ms. Sliz was preparing a letter to Congressman George Brown for the record of the hearing on the National Electromagnetic Fields Research and Dissemination Act. The letter will give examples of SCPPA members' activities regarding EMF and indicate that SCPPA's views are consistent with the policy adopted by the LADWP.

She reported that a hearing had been held regarding Congressman George Miller's Integrated Resource Planning bill, and that Ed Aghjayan had testified on behalf of Anaheim. Mr. Aghjayan reported on the proceedings. Although all the public power witnesses were in favor of integrated resource planning, they felt that public power agencies were already doing it, and either opposed the bill or suggested substantive changes.

Ms. Lazzerino stated that the Republican staff of the House Interior Committee had invited APPA to meet and discuss possible changes to the bill, and that NRECA and some members of APPA strongly opposed APPA's going to the meeting.

Discussion followed regarding the desirability of communicating SCPPA's support of APPA attending the meeting and negotiating revisions. It was the consensus of the Board that SCPPA should support the dialogue.

Other

Ms. Lazzerino updated the Board on the progress of the Beck resource study and said a preliminary draft report should be ready before the next Board meeting. It was confirmed that the report, when received, should be directed first to the Joint Planning Subcommittee.

9. Management Report

Mr. George R. Spencer referred to the report in the mailing notebooks, which lists staff's major activities for the month.

9. Other Business

The Board discussed a member's request to start the Board Meetings earlier. It was agreed to notice the April meeting as a Special Meeting starting at 9:00 a.m., and to further discuss a permanent change of starting time.

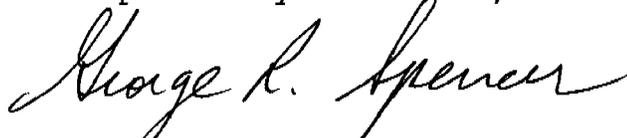
10. Opportunity for the Public to Address the Board

President Stassi afforded the public an opportunity to address the Board. There were no comments from the public.

11. Adjournment

There being no further business, the meeting was adjourned at 1:00 p.m.

Respectfully submitted,



GEORGE R. SPENCER  
Assistant Secretary

c: Board of Directors