

MINUTES OF THE JANUARY 3, 1990,
REGULAR MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

The regular meeting of the Board of Directors was held on January 3, 1990, in the Rose Room of the Pasadena Hilton Hotel, 150 South Los Robles Avenue, Pasadena, California 91101. The agenda is attached.

The meeting was called to order at 10:07 a.m. by President Gale A. Drews. All members were present with the exception of the representatives from the city of Banning and the Imperial Irrigation District.

1. Approval of the Minutes
of the December 6, 1989,
Regular Meeting

A motion and second were made by members of the Board of Directors and it was unanimously carried that the minutes of the December 6, 1989, regular meeting, be approved.

2. Matters Relating to the
Palo Verde Project

Project Report

Mr. Ned F. Bassin of the Los Angeles Department of Water and Power reported that Unit 1, presently in a refueling mode, should restart early this year. Unit 2, currently functioning at 100% output should continue operation until a scheduled refueling, which should take place the end of February or early March. Unit 2 is generating 1326 gross MW electrical. Unit 3 had an unexpected set-back on December 30th when an internal fault occurred on the main output transformer. The unit is expected to return to service in two to four weeks.

3. Matters Relating to the
Mead-Phoenix Project

Project Report

Mr. Arthur T. Devine advised the Board there is little to report regarding the Mead-Phoenix Project except for proceeding with documents and acquiring expressions of interest from Board members.

The next meeting of the Mead-Phoenix Management Committee on January 19th will be held at the SRP offices in Phoenix.

4. Matters Relating to the
Hoover Upgrading Project

Project Report

Mr. Arthur T. Devine reported that the Technical Committee will meet on January 11 to discuss and review the Hoover Upgrading

budget and schedule. Mr. Alan Vallow of the Los Angeles Department of Water and Power will attend the meeting representing the Authority.

Annual Budget Reconciliation
for the 1988-89 Budget

Mr. Arthur T. Devine briefly reviewed the Hoover Uprating Project Annual Reconciliation from October 1, 1988 to September 30, 1989, copies of which were included in the last mailing notebooks.

Bond Refunding

Mr. Arthur T. Devine briefly discussed the upcoming Hoover Project bond refunding and indicated that the market was very close to the desired conditions.

Resolution Nos. 1990-1 and 1990-2

After a brief review of Resolution Nos. 1990-1 and 1990-2, a roll call vote was held for both resolutions.

Resolution No. 1990-1

A motion was made by Mr. Dale L. Pohlman, seconded by Mr. Bill D. Carnahan approving a Second Supplemental Indenture of Trust and authorizing the issuance of Southern California Public Power Authority Hydroelectric Power Project Revenue Bonds, 1990 Refunding Series A; authorizing the execution and delivery of a Purchase Contract or the preparation of an Official Bid Form and the publication of a Notice of Sale and a Notice of Intention to sell bonds; authorizing the delivery of a Preliminary Official Statement and the execution and delivery of an Official Statement; authorizing certain related actions; and authorizing the officers of the Authority to do all other things deemed necessary or advisable, be adopted. A roll call vote was held and all present voted unanimously that the resolution be approved.

Resolution No. 1990-2

A motion was made by Mr. Joseph F. Hsu, seconded by Mr. Ronald V. Stassi with respect to registration and qualification of Hydroelectric Power Project Revenue Bonds, 1990 Refunding Series A, under Blue Sky laws of various states, be adopted. A roll call vote was held and all present, with the exception of the representative from Pasadena who abstained, voted unanimously that the resolution be approved.

5. Multiple Projects Revenue Bonds, 1989 Series

Report

Mr. Arthur T. Devine asked Mr. John J. O'Brien of O'Brien Partners and Mr. Eric G. Seder of Smith Barney to discuss

for Board members the important aspects of the Multiple Projects bond issue.

Mr. O'Brien commented that the issue will close with a 7.09% true interest cost, which is the second lowest interest cost in the Authority's history.

Mr. Seder provided a booklet to the Board, entitled Post Sale Summary, which gave information regarding the Multiple Projects issue and discussed its contents.

Financial Advisory Service Contract

Mr. Arthur T. Devine commented that included in today's meeting packet for Board members is a copy of a revision of the Letter Agreement between O'Brien Partners and the Authority for financial advisory services for the Multiple Projects Revenue Bonds.

Although it was included on the meeting's agenda to be discussed and acted upon, Mr. Bill D. Carnahan suggested it be tabled until after the upcoming Finance Committee meeting, which is tentatively scheduled for January 18th.

A motion was made by Mr. Bill D. Carnahan, seconded by Mr. Dale L. Pohlman and unanimously carried postponing action on the revised Letter Agreement between O'Brien Partners and the Authority until a later date, be approved.

6. Strategic Planning

Report

President Gale A. Drews opened the Strategic Planning report by appointing Mr. Dale L. Pohlman to replace Mr. Gordon W. Hoyt, who is retiring, on the Strategic Planning Committee.

Mr. Bill D. Carnahan discussed the Authority's future goals and commented that there is much to be done in the next 30 to 60 days.

7. Utah-Nevada Transmission Project

Report

Mr. Dennis B. Whitney and Mr. Donald M. Pappé briefly discussed aspects of the Utah-Nevada Transmission Project and handed-out pertinent information for the Board's perusal.

Mr. Son Hoang also of the Los Angeles Department of Water and Power provided a hand-out, and using posted diagrams, gave an in depth report on the Utah-Nevada Project.

The Board was reminded of a meeting scheduled for January 18th to discuss the Cost Sharing Agreement and other aspects of the Utah-Nevada Project.

8. Executive Director's Report

Mr. Gale A. Drews appointed the Strategic Planning Committee to begin the process of the selection and appointment of an Executive Director to replace Mr. Arthur T. Devine, who is retiring at the end of March. It was suggested that an executive search firm be engaged to advertise for and screen and interview candidates presenting only the most qualified finalists to be further interviewed by the Strategic Planning Committee. It was further suggested that a sum not to exceed \$50,000 be allocated for costs in the search for a new Executive Director.

A motion was made by Mr. Bill D. Carnahan, seconded by Mr. David C. Plumb and unanimously carried authorizing the Strategic Planning Committee to retain the services of an executive search firm to assist the Committee in the selection of a new Executive Director and directing the committee to present at least the final three candidates to the Board for selection of the final candidate and further authorizing the expenditure of funds, not to exceed \$50,000, by the Committee in connection with this assignment, be approved.

9. Election of Officers
for the Authority

Mr. Arthur T. Devine acted as chairperson for the election of officers for the Authority.

The Board of Directors voted to retain the present officers of the Authority for the year 1990. They are as follows:

President Gale A. Drews
Vice-President W. E. Cameron
Secretary Eldon A. Cotton
Assistant Secretary George R. Spencer
Executive Director/
Treasurer/ Auditor Arthur T. Devine

10. Executive Session

The President announced that a Closed Session would be held for the purpose of discussion and necessary action in connection with the Contract of Employment for the Executive Director.

During the Closed Session, President Gale A. Drews suggested to the Board that Mr. Arthur T. Devine's Contract of Employment be extended to April 1, 1990, with the proviso that he remain as Executive Director, if necessary, beyond that date. It was also suggested that Mr. Devine be compensated for unused vacation accumulated as of the date of termination, not to exceed two months.

A motion was made my Mr. W. E. Cameron, seconded by Mr. Bill D. Carnahan and unanimously carried approving the extension of the existing Contract of Employment for the Executive Director until April 1, 1990 with the proviso that the contract be further extended beyond that date, if necessary, with the approval of the President and that Mr. Devine be compensated for vacation, not to exceed two months, accumulated and unused as of the final date of termination.

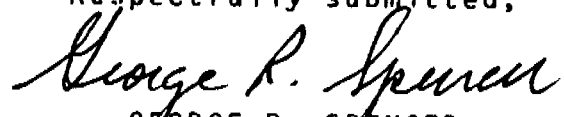
At the end of the Closed Session the meeting was reconvened in Open Session and the President announced the action taken at the Closed Session.

11. Opportunity for the Public to Address the Board

President Gale A. Drews gave the public an opportunity to address the Board. There were no comments from the public.

There being no further business, the meeting was adjourned at 11:40 a.m. The next regular meeting will be held on February 7, 1990.

Respectfully submitted,



GEORGE R. SPENCER
Assistant Secretary
Southern California Public Power Authority

attachments
cc: Board of Directors