

MINUTES OF THE MARCH 7, 1990,
REGULAR MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

The regular meeting of the Board of Directors was held on March 7, 1990, in the Santa Clara Room of the Pasadena Hilton Hotel, 150 South Los Robles Avenue, Pasadena, California 91101.

The meeting was called to order at 10:13 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 January 3, 1990,
Regular Meeting

A motion was made by Mr. W. E. Cameron, seconded by Mr. Joseph F. Hsu, and unanimously carried that the minutes of the January 3, 1990, regular meeting, be approved.

2. Matters Relating to the
Palo Verde Project

Project Report

Mr. Eldon A. Cotton reported that all three Palo Verde units are presently on schedule. Unit 3 is back on-line with both the refueling and transformer outages successfully completed. Unit 2 was brought down for refueling on February 23rd and should be back on-line by mid-June and Unit 1 is scheduled to be back on-line by early April.

Mr. Cotton reported that the NRC has reacted positively to the progress made by the three Palo Verde units.

Budget Comparison
for Second Quarter
1989-90 Budget

Mr. Arthur T. Devine reviewed the Palo Verde Project Second Quarter Budget Comparison for 1989-90 for Board members, copies of which were included in the last mailing notebooks.

3. Matters Relating to the
Mead-Phoenix Project

Project Report

Mr. Arthur T. Devine gave a brief report on the Mead-Phoenix Project and advised the Board that the Legal and Negotiating Committee members are in the process of preparing agreements and proceeding with the completion of documents.

Mr. Devine advised the Board of the Management Committee meeting to be held March 16, 1990, in Las Vegas.

4. Matters Relating to the Hoover Upgrading Project

Project Report

Mr. Arthur T. Devine reported that regarding the Hoover Project, the Bureau of Reclamation has stated it may need as much as \$80 million up-front money for capital additions and replacements. This money is needed because the Bureau has not had sufficient time to accumulate enough money for these additions and betterments through its regular budgets. Mr. Devine commented that contributors would probably be repaid by credits against power bills. However, since credits for most of the Authority's participants are already in excess of their power bills, these additional credits would only add to the excess credit problem.

Mr. Devine continued to say Arizona and Nevada may be willing to advance the money needed but that such advances by the Authority might be unwise.

Mr. Devine reminded Board members of the April 11th meeting in Las Vegas at which time more discussion regarding the \$80 million shortfall and from where it may be obtained will be on the agenda. Mr. Devine further suggested that he would be mailing an informational memo to those members who plan to attend the April 11th meeting.

Budget Comparison
for First Quarter
1989-90 Budget

Mr. Arthur T. Devine reviewed the Hoover Upgrading Project First Quarter Budget Comparison for 1989-90 for the Board, copies of which had been included in the last mailing notebooks.

5. Matters Relating to the Southern Transmission System

Budget Comparison
for Second Quarter
1989-90 Budget

Mr. Arthur T. Devine reviewed the Southern Transmission System Budget Comparison for Board members, copies of which had been included in the last mailing notebooks.

Mr. Devine concluded by saying that the budget was practically right on target, being only one-half of one-percent off.

6. Multiple Project
Revenue Bonds, 1989

Contract Amendment for
Financial Advisor

Mr. Arthur T. Devine explained to Board members that the duties of the Authority's Financial Advisor, O'Brien Partners, in connection with the Multiple Projects issue will be increased and will extend at least over a two-year period, consequently, an adjustment of fees has been recommended by the Finance Committee.

Included in the mailing notebooks was a copy of a revised letter agreement, dated January 22, 1990, which supersedes a previous letter agreement ratified by the Board on August 2, 1989, Mr. Devine recommended that this revised letter agreement, dated January 22, 1990, be approved and ratified today by the Board.

A motion was made by Mr. Bill D. Carnahan, seconded by Mr. Joseph F. Hsu and unanimously carried ratifying the letter agreement, dated January 22, 1990, between the Authority and O'Brien Partners, Inc. increasing fees for services rendered as outlined therein and superseding the letter agreement ratified by the Board on August 2, 1989.

7. Selection of an
Executive Director

Report

In their effort to begin the process of selecting a new executive director, Mr. Bill D. Carnahan reported that the Strategic Planning Committee has sent out letters to search firms requesting they submit proposals; and, from the proposals received by the Committee one firm looks especially capable. The Strategic Planning Committee will meet today at 11:30 a.m. to discuss and, possibly, to approve this firm, Hughes, Heiss & Associates, to recruit the Authority's new executive director.

8. Executive Director's Report

Mr. Arthur T. Devine reminded Board members that the deadline for receipt of the Conflict of Interest forms is April 2nd.

Mr. Arthur T. Devine reported to the Board that the amicus curiae brief in regard to the Portland General Electric v. Montana Department of Revenue, et al, had not been successful and that the U. S. Supreme Court had refused to hear the case. This has the effect of upholding the validity of the Montana tax.

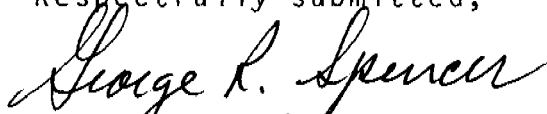
Mr. Devine reminded Board members that since Montana has been successful in levying this tax, Oregon and other states will probably attempt to adopt similar taxes.

9. Opportunity for the Public
to Address the Board

President Gale A. Drews afforded 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 11:14 a.m. The next regular meeting will be held on April 4, 1990.

Respectfully submitted,



GEORGE R. SPENCER
Assistant Secretary

attachments

cc: Board of Directors