

MINUTES OF THE JUNE 6, 1990,
REGULAR MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

The regular meeting of the Board of Directors was held on June 6, 1990, 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 10:07 a.m. by President Gale A. Drews. All members were present with the exception of the representative from the Imperial Irrigation District.

1. Approval of the Minutes
of the May 2, 1990,
Regular Meeting

A motion was made by Mr. Bill D. Carnahan, seconded by Mr. Joseph F. Hsu, and unanimously carried that the minutes of the May 2, 1990, regular meeting, be approved.

2. Matters Relating to the
Palo Verde Project

Project Report

Mr. Eldon A. Cotton handed out a status report for the Palo Verde Nuclear Generating Station for Board members.

Mr. Cotton reported that Unit 1, still undergoing final equipment testing, has a tentative restart date the end of this month. Restart of Unit 1 will require NRC approval.

According to Mr. Cotton, Unit 2, in its second refueling outage, will probably be back in service by the end of June and Unit 3, in continuous operation since April 20th, is scheduled for its second refueling in the Spring of next year.

Budget Comparison for the
1989-90 Third Quarter

Mr. Arthur T. Devine commented on the Palo Verde Budget Comparison for the 1989-90 Third Quarter, copies of which were included in the mailing notebooks.

Proposed Changes in the
Palo Verde Transmission Agreement

Mr. Arthur T. Devine reported to the Board that Los Angeles has requested a change in the Palo Verde Transmission Agreement which would eliminate its transmission entitlement under the agreement. This change, which is being prepared to present at the next Board meeting, would require approval from the Board.

Mr. Devine concluded by saying that information regarding this matter will be provided to the Board prior to the next mailing, if possible.

3. Matters Relating to the Mead-Phoenix Project

Project Report

Mr. Arthur T. Devine commented on the June 4th Coordinating Committee meeting in Phoenix at which time several contract problems were discussed and resolved.

According to Mr. Devine, July 17th has been scheduled for the next meeting of the Coordinating Committee. The meeting will be held in Los Angeles.

Mr. Devine concluded by saying the L & N Committee intends to have contracts ready for approval by July 1st, or shortly thereafter.

4. Matters Relating to the Hoover Uprating Project

Project Report

Mr. Arthur T. Devine reported on the June 5th Hoover Uprating Project meeting in Boulder, Nevada, and the \$80 million shortfall Western had expected to experience for replacements over the next five or six years.

After consulting with the Bureau of Reclamation and some technical representatives of the contractors, Western is now predicting a shortfall of approximately \$57 million over the next five or six years. Western has indicated that additional meeting with the contractors may be necessary to determine how this money will be raised.

Budget Comparison for the 1989-90 Second Quarter

Mr. Arthur T. Devine reported on the Hoover Uprating Project Budget Comparison for the 1989-90 Second Quarter, copies of which were included in the mailing notebooks.

5. Matters Relating to the Southern Transmission System Project

Budget Comparison for the 1989-90 Third Quarter

Mr. Arthur T. Devine discussed the Southern Transmission System Project Budget Comparison for the 1989-90 Third Quarter, copies of which were included in the mailing notebooks.

6. Executive Director's Report

Appointment to the Investment Committee

President Gale A. Drews announced that he was appointing Mr. Dale L. Pohlman, Board representative for the city of Anaheim and Mr. Bill D.

Carnahan Board representative for the city of Riverside to the Investment Committee. They will join the President, the Executive Director and the Chief Financial Officer of Los Angeles Department of Water and Power who are members of the Authority's Investment Committee.

Purchase of Directors & Officers Liability Insurance

Mr. Arthur T. Devine commented that the Authority has been trying to replace the Directors & Officers Liability Insurance since it was cancelled in 1986.

On behalf of the Authority, Johnson & Higgins have solicited bids for this insurance coverage and have received proposals from three companies who are now willing to provide this coverage to the Authority.

Information regarding these proposals from Johnson & Higgins was included in the mailing notebooks.

Mr. Arthur T. Devine recommended the purchase of Directors & Officers Liability Insurance from AEGIS Insurance Services at a \$5 million limit and at an annual cost of \$108,565.00.

A motion was made by Mr. Bill D. Carnahan, seconded by Mr. Dale L. Pohlman, and unanimously carried approving the purchase of Directors & Officers Liability Insurance from AEGIS Insurance Services at \$5 million liability limits and at an annual premium of \$108,565.00 and that the Authority Administrative & General Budget be increased in this amount.

Committee for the Selection of an Executive Director

Report

Mr. Bill D. Carnahan advised Board members that of the 43 resumes received by Hughes, Heiss & Associates, 19 candidates were under consideration to replace the Authority's Executive Director and of this group the Committee will select four or five candidates when they meet on June 14th. These candidates will be interviewed by both the Committee and any other interested Board members on June 27th. If necessary, a special meeting will be called. A reception and dinner for the candidates and Board members will be held the evening of June 27, 1990.

Installation of Acting Executive Director

After the meeting returned to Open Session, President Drews suggested that Mr. George R. Spencer, the Authority coordinator from Los Angeles Department of Water and Power and Assistant Secretary for the Authority, be appointed by the Board as Acting Executive Director, commencing July 1, 1990.

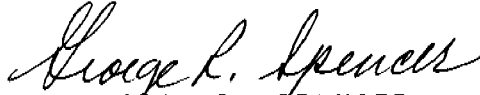
A motion was made by Mr. Ronald V. Stassi, seconded by Mr. David C. Plumb, and unanimously carried approving the installation of Mr. George R. Spencer as Acting Executive Director, commencing July 1, 1990.

7. 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 12:25 a.m.

Respectfully submitted,



GEORGE R. SPENCER
Assistant Secretary

Southern California Public Power Authority

attachments

cc: Board of Directors