

— Minutes of the Closed Session of  
the SCPPA Regular Meeting of 10-03-90

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

CLOSED SESSION

A Closed Session was held at approximately 12:10 p.m. Discussion was held regarding ongoing tax litigation in which the Authority and other Project Participants are involved against Maricopa County and possible litigation regarding 1990 Arizona nuclear property tax legislation.

1. Maricopa County Litigation

Ms. Linda M. Lazzerino reviewed Maricopa County tax litigation and the recommendation of Rourke & Woodruff attorney, Mr. Alan R. Watts, that the Authority participate in an appeal of the trial court decision awarding summary judgment to Maricopa County and take other appropriate steps. Copies of a memorandum to the Board of Directors, dated September 20, 1990, from Mr. Watts, which reviewed the case and set out his recommendations, was included in the mailing notebooks. The Board reviewed the background of the case and considered various policy, administrative and financial considerations involved. It was suggested that the SCPPA Board take the recommended action, but periodically review the cost and progress of the cases.

(In Open Session). A motion was made by Mr. David C. Plumb and seconded by Mr. Joseph F. Hsu for SCPPA to participate in the appeal of the trial court decision in El Paso Electric, et al, v. Maricopa County relating to 1987 property taxes, to serve a similar complaint to 1988 taxes, and to file a succeeding complaint relating to 1989 taxes. The Board voted ten to one in favor of the motion.

2. Arizona Tax Reform

Ms. Lazzerino reported that during the 1990 legislative session the Arizona legislature took action which will substantially increase taxes on the Palo Verde Nuclear Generating Station. Arizona Public Service Company ("APS"), Project Manager for Palo Verde has decided to challenge the validity of this legislation utilizing the Arizona law firm of Snell & Wilmer.

Litigation of this nature on behalf of all Palo Verde Participants would normally be within the discretion of APS as Project Manager except that in tax matters each Participant must independently choose to join the litigation. All other Project Participants have agreed to participate. The Board discussed the merits of the case and options available.

(In Open Session). A motion was made by Mr. Joseph F. Hsu, seconded by Mr. Michael P. Hopkins and unanimously carried authorizing the Executive Director to inform APS of the Authority's decision to join with other Participants in litigation challenging increased taxes on the Palo Verde Nuclear Generating Station.

The Board returned to Open Session.