

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

A regular meeting of the Board of Directors was held on October 3, 1990, in the Santa Barbara 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 10:12 a.m. by President Gale A. Drews. All member cities were represented by a Board member or designated alternate at this meeting.

President Drews welcomed Ms. Linda M. Lazzerino, who is attending her first SCPPA Board Meeting as the newly appointed Executive Director. Ms. Lazzerino replaces Mr. Arthur T. Devine who retired June 30th of this year.

1. Approval of the Minutes
of the July 11 and July 25, 1990,
Special Meetings

A motion was made by Mr. Terry Collins, seconded by Mr. Joseph F. Hsu, and unanimously carried that the minutes of the July 11 and July 25, 1990, Special Meetings, be approved.

2. Matters Relating to the
Palo Verde Project

Project Report

Mr. Eldon A. Cotton reported that all three of the Palo Verde units are operating at full power.

Unit 1 was removed from service from September 13 to September 24 to replace a leaking pressurizer relief valve. Assistance by our site representative, who knew of the location of a spare relief valve at San Onofre, shortened Unit 1's outage time by several days. The next scheduled outage for Unit 1 is planned for 45 days beginning in January of 1991 to test various systems and equipment.

Unit 2 is in its 76th consecutive day of full operation after return to service in July of this year. A refueling outage is scheduled for October of 1991.

Unit 3 is operating at full power and in its 57th consecutive day of operation. A refueling outage is scheduled for the middle of March, 1991.

Resolution No. 1990-12

A motion was made by Mr. Eldon A. Cotton, seconded by Mr. David C. Plumb to adopt Resolution No. 1990-12, approving

Amendment No. 13 to the Arizona Nuclear Power Project Participation Agreement to define the obligations, rights and responsibilities of each Participant in respect to the permanent termination of operation and removal from service of each generating unit. A roll call vote was held and all present voted to approve the resolution.

Palo Verde Decommissioning Trust Fund
and Annual Budget

Mr. Edward W. Long and Mr. B. C. Monk explained in some detail Resolution No. 1990-14, which deals with the Palo Verde Nuclear Decommissioning Trust Fund Agreements I and II.

Mr. Long reminded the Board that in 1981 a fund was established for Palo Verde decommissioning which has been being funded from the monthly Project billings to the participating members. He advised that, under the resolution, monthly billings for this funding would stop and the estimated remaining requirement for Authority decommissioning funding would be "prefunded" by transfers from the Palo Verde Construction Fund. Mr. B. C. Monk distributed and discussed an informational handout dealing with the schedule of allocation and funding of Palo Verde termination costs. Based on the current estimates and assumptions, the Authority's transfers for this prefunding aggregate approximately \$36 million. Resulting adjustments to the Palo Verde budget were also explained.

Resolution No. 1990-14

A motion was made by Mr. Ronald V. Stassi, seconded by Mr. Terry Collins to adopt Resolution No. 1990-14, directing deposit to Palo Verde Project Agreement I Fund and deposit to Palo Verde Project II Fund; rescinding in part Resolution No. 1988-3; approving amended annual budget; and authorizing the officers of the Authority to do all other things deemed necessary or proper. A roll call vote was held and all present voted to approve the resolution.

3. Matters Relating to the
Mead-Phoenix Project

Project Report

Ms. Linda M. Lazzerino reported on the Mead-Phoenix/Mead-Adelanto Management Committee Meeting at the Salt River Project offices on September 11th. Participants were advised that the Project would be delayed pending document drafting. The L & N Committee has set a schedule to allow for completion and execution of documents by March 1991.

Mr. George R. Spencer will attend the next Management Committee Meeting on October 17th representing Authority interests.

4. Matters Relating to the
Hoover Upgrading Project

Project Report

Mr. Alan R. Vallow reported that although the Hoover Uprating Project has been on schedule and on budget for the last three years, the Project is currently underfunded due to a \$13 million shortfall for this fiscal year. Costs for proposed visitor's facilities have also increased from \$34 million, originally appropriated by Congress, to an estimated \$85 million.

Approval of Hoover Uprating Project Budget for Fiscal Year 1990/91

The staff introduced and the Board discussed the Hoover Uprating budget, copies of which were included in the mailing notebooks.

Resolution No. 1990-13

A motion was made by Mr. Dieter Wirtzfeld, seconded by Mr. David C. Plumb that Resolution No. 1990-13 be adopted, approving the Annual Budget for Hoover Uprating Project Power Supply Year No. 5, beginning October 1, 1990. A roll call vote was held and all present voted to approve the resolution.

5. Executive Director's Report

The Authority's new Executive Director, Ms. Linda M. Lazzerino, discussed initial goals, including developing additional internal procedures and administrative policies, firming committee structures and exploring opportunities to increase communication with the member utilities.

Ms. Lazzerino advised the Board that Mr. Bernard V. Palk of the Los Angeles Department of Water and Power has offered assistance to the SCPPA Board on the subject of Electro Magnetic Fields. Los Angeles offered to brief the SCPPA Board and/or to give the member utilities the opportunity to participate directly in the developing educational program. Members will indicate their interest following the Board meeting.

Ms. Lazzerino distributed copies of SCPPA's Price Waterhouse Report with Financial Statements and Supplemental Financial Information and advised the Board that Price Waterhouse would be invited to the next Board meeting to discuss their findings.

6. Management Report

Monthly Report

This new item was added to the agenda for the purpose of keeping the Board better advised of staff and project activities. Mr. George R. Spencer reported that staff would appreciate the Board's comments as to its usefulness and suggestions as to more useful form.

Project Photographs

Mr. Spencer reminded Board members that anyone desiring copies of the project photographs offered recently should let him know as soon as convenient so that the order may be placed.

7. Litigation

The Board, on the advice of legal counsel, retired to Closed Session to confer with legal counsel concerning the Maricopa County and other pending litigation regarding the Palo Verde Project (pursuant to California Government Code Section 54956.9 (a) and (c)).

After discussion, the Board returned to 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 relating to 1988 taxes, and to file a succeeding complaint relating to 1989 taxes. The Board voted ten to one in favor of the motion.

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.

8. Other Business

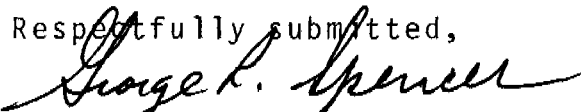
"Big Green"

General discussion was had concerning the relative merits and costs of Proposition No. 128, commonly referred to as "Big Green", on the California November ballot.

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 12:40 p.m.

Respectfully submitted,

GEORGE R. SPENCER
Assistant Secretary

attachments
cc: Board of Directors