

MINUTES OF THE JULY 1, 1987,
REGULAR MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

The regular meeting of the Board of Directors was held on July 1, 1987, at 10:00 a.m., at the Municipal Services Building of the city of Glendale, 633 East Broadway, Room 106, Glendale, California 91205. The agenda is attached.

The meeting was called to order at 10:13 a.m. by Mr. Gale A. Drews, President. All members were present with the exception of the representatives from the cities of Anaheim and Banning.

The meeting began with a request from President Drews that each member of the assembly introduce himself inasmuch as the newest Board member, Mr. David C. Plumb, General Manager of the Pasadena Water and Power Department, was in attendance for the first time.

1. Approval of the Minutes
for the May 6, 1987,
Regular Meeting

A motion was made by Mr. Eldon A. Cotton, seconded by Mr. Lewis Adams, and unanimously carried that the minutes of the May 6, 1987, regular meeting, be approved.

2. Matters Relating to
the Palo Verde Project

Project Report

Mr. James E. Helt of the Los Angeles Department of Water and Power reported that on June 28th at 6:00 p.m. one of Unit 1's large circulating water pipes ruptured in the turbine building resulting in massive flooding.

Neither plant personnel nor public health was threatened by the failure, which did not involve any nuclear system.

Estimates revealed this outage would take from two weeks to two months to resolve.

Mr. Helt reported Unit 2 was operating well and was in its 23rd consecutive day of full-power operations.

Unit 3, presently in a testing stage, is scheduled to become commercially operational in November of this year.

Handouts which dealt mostly with Unit 1's forced outage, were supplied to Board members.

Payment for Pre-Firm Operation
Energy from Unit 3

Mr. Arthur T. Devine recommended that the pre-firm energy charge for Unit 3 be the same as that charged for Units 1 and 2 -- 28 mils per kWh.

A motion was made by Mr. Eldon A. Cotton, seconded by Mr. Joseph F. Hsu, and a roll call vote unanimously carried approving a cost of 28 mils/kWh be charged Palo Verde Participants for Unit 3's pre-firm energy under the same terms and conditions as Units 1 and 2.

Distribution of Money Among
Trustee Funds and Accounts

Resolution No. 1987-7

Mr. Arthur T. Devine briefly discussed Resolution No. 1987-7.

A motion was made by Mr. Gale A. Drews, seconded by Mr. Dieter Wirtzfeld, and unanimously carried adopting Resolution No. 1987-7 regarding flow and use of moneys in the Operating Fund for the Palo Verde Project.

Escrow Restructuring for 1986B Bonds
and Financial Advisors Fee

Mr. Arthur T. Devine commented on escrow restructuring for 1986B Palo Verde bonds, which resulted in a profit of about \$1,000,000. The profit compensated for the approximate \$1,000,000 of negative arbitrage resulting from the 1986 Palo Verde Series B bond sale.

A motion was made by Mr. David C. Plumb, seconded by Mr. Dieter Wirtzfeld, and a roll call vote unanimously carried ratifying an agreement by the Finance Committee to pay a fee of \$25,000, plus computer expenses, to James J. Lowrey for services rendered in relation to the escrow restructuring of 1986B Palo Verde bonds.

Litigation Regarding the Sale
of Water to Arizona Public Service

Mr. Alan R. Watts of Rourke & Woodruff, commented on the John F. Long litigation and the efforts of Mr. Long, plaintiff in the action, in possibly moving the effluent controversy from the courts into the legislative and public opinion arenas utilizing the initiative voting process.

3. Matters Relating to the
Intermount Power Project-
Southern Transmission System

Project Report

Mr. Eldon A. Cotton reported that everything is progressing well with Intermountain Power Project with the line functioning satisfactorily.

4. Matters Relating to the
Hoover Uprating Project

Project Report

Mr. Arthur T. Devine reported that a meeting had been scheduled for July 9th at the Los Angeles Department of Water and Power's General Office Building at which Western would discuss billing procedures and scheduling for the Hoover Uprating Project.

5. Matters Relating to
the Mead-Phoenix Project

Project Report

Mr. Arthur T. Devine announced that the approximate \$9,000,000 portion of the Bank of America loan had again been participated out by the bank so that the charge to the Authority would be 67% of prime.

6. Executive Director's Report

Authority Budget for
Year Ending June '88

Mr. Arthur T. Devine and Mr. Frank Salas gave a detailed explanation of the Authority's fiscal year 1987-88 budget, including the Glendale Office budget, the R. W. Beck budget, the Authority Trustee costs and the budget for Los Angeles Billable Costs, respectively.

A motion was made by Mr. David C. Plumb, seconded by Mr. Kenneth S. Noller, and unanimously carried approving the Authority's fiscal year 1987-88 budget.

Allocation of General Expenses
Among Funded Projects

Resolution No. 1987-6

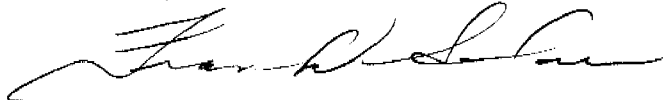
A motion was made by Mr. Eldon A. Cotton, seconded by Mr. Xavier G. Baldwin, that Resolution No. 1987-6 regarding allocation of General Expenses, be approved. The motion carried.

7. Opportunity for the Public to
Address the Board

President Drews gave the public an opportunity to address the Board of Directors, but no one did so.

There being no further business, the meeting was adjourned at 11:30 a.m. The next regular meeting of the Authority will be held on August 5, 1987.

Respectfully submitted,



FRANK SALAS
Assistant Secretary
Southern California Public Power Authority

attachments

cc: Board of Directors