

**MINUTES OF THE NOVEMBER 4, 1987,
REGULAR MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**

The regular meeting of the Board of Directors was held on November 4, 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 10:12 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.

**1. Approval of the Minutes
for the September 2, 1987,
Regular Meeting**

A motion was made by Mr. Bill D. Carnahan, seconded by Mr. Eldon A. Cotton, and unanimously carried that the minutes of the September 2, 1987 regular meeting be approved.

**2. Matters Relating to
the Palo Verde Project**

Project Report

Mr. Eldon A. Cotton referred to the letter from Mr. Robert C. Burt, Engineer of Power System Services for the Los Angeles Department of Water and Power, to Mr. Arthur T. Devine and the attached information regarding the calendar-year 1988 budget for the Arizona Nuclear Power Project. He made pertinent comments. The letter and attachments were included in the meeting folders for Board members.

Regarding Unit 1, Mr. Cotton reported that because of fractures found in the reactor cooling pump shafts, the outage was extended beyond the originally planned 90 days.

Unit 2 has operated at approximately 70-percent capacity factor for 103 days and is scheduled for a refueling outage in late February of 1988.

Unit 3 attained criticality in late October and commercial operation of the unit is currently targeted for January 15, 1988.

**Budget Reconciliation
1986-1987 Fiscal Year**

Mr. Arthur T. Devine gave a detailed explanation of the Palo Verde budget comparison for the period July 1, 1986 through June 30, 1987, utilizing information included in the last mailing notebook to Board members.

Resolution No. 1987-11

A motion was made by Mr. David C. Plumb, seconded by Mr. Joseph F. Hsu, and unanimously carried that Resolution No. 1987-11, approving authorization of John D. Campbell and such of the partners of Appleby, Spurling & Kempe as designated by him to act as agent of the Authority as set forth in said Power of Attorney in connection with Policy No. X87-064 between the Authority and Nuclear Electric Insurance Limited and ratifying the action of the Secretary, Eldon A. Cotton, in executing said Power of Attorney, dated October 21, 1987, be approved.

3. Matters Relating to the
Intermountain Power Project
Southern Transmission System

Budget Reconciliation
1986-1987 Fiscal Year

Mr. Arthur T. Devine referred to and explained the budget reconciliation contained in the mailing notebooks.

Mr. Devine announced that the investment portfolio for the Debt Service Revenue Fund had been sold resulting in a profit of approximately \$9 million. Mr. Devine stated the profit could be used to cover a portion of the increase in the Construction Budget.

The possibility of additional monies being needed for the increased Construction Budget will be discussed at the next Board meeting.

Resolution No. 1987-12

A motion was made by Mr. Eldon A. Cotton, seconded by Mr. W. E. Cameron, and unanimously carried that Resolution No. 1987-12, authorizing the transfer of monies from the General Reserve Fund related to the Authority's Southern Transmission Project to the Initial Facilities Account in the Construction Fund related thereto, be approved. A roll call vote was held and all present voted unanimously that the resolution be adopted.

4. Matters Relating to the
Mead-Phoenix Project

Mr. Arthur T. Devine reported that at the Mead-Phoenix Management Committee meeting last week an extension of the Loan Agreement with Bank of America from December 1, 1987 to December 1, 1988 was approved, although negotiations are not as yet finalized.

Resolution No. 1987-10

A motion was made by Mr. David C. Plumb and seconded by Mr. Bill D. Carnahan that Resolution No. 1987-10, approving Amendment No. 3 to Loan Agreement and approving the exchange of loan notes as contemplated by such amendment, be approved. A roll call vote was held and all present voted unanimously that the resolution be adopted.

Resolution No. 1987-10 was passed contingent on the words "such other parties as may be approved by the President" being added to the first sentence of Item 1 of the resolution.

5. Executive Director's Report

Mr. Arthur T. Devine reported that the dues for the United States Counsel for Energy Awareness (U.S.C.E.A), a public relations agency, are presently due for payment. Mr. Devine offered the Board members for their persual an informational brochure sent to him from U.S.C.E.A. and told the Board that the dues, which were also paid last year, are included in the present budget.

A motion was made by Mr. W. E. Cameron, seconded by Mr. Bill D. Carnahan, and unanimously carried that the annual dues for membership in the U.S.C.E.A. be continued for the year 1988.

Computer Programming for
Authority Investments

Mr. Arthur T. Devine referred to a letter, dated October 23, 1987, from Mr. B C Monk, Director of Financial Planning and Administration at the Los Angeles Department of Water and Power, in which he requested that the Authority purchase two computer programs in order to more efficiently manage the Authority's investments. One program, developed by the Technical Data Corporation, has been approved by the Investment Committee and would cost approximately \$19,200 for the first year. These costs are not presently in the budget. The Los Angeles Department of Water and Power has agreed to pay the first year's cost of a second program and service called the Bloomberg MarketMaster and, thereafter, the cost of this investment software system would be paid for by the Authority, if it is found to be useful.

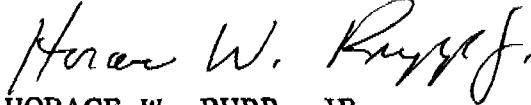
A motion was made by Mr. W. E. Cameron, seconded by Mr. Eldon A. Cotton, and unanimously carried that the Authority invest in a computer software system in the amount of approximately \$19,200 for use in managing the Authority's investments and that the budget be increased accordingly.

6. Opportunity for the Public
to Address the Board

President Gale A. Drews gave 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 11:35 a.m. The next regular meeting of the Authority will be held December 2, 1987.

Respectfully submitted,



HORACE W. RUPP, JR.

Assistant Secretary

Southern California Public Power Authority

Attachments

cc: Board of Directors

The following documents were included in the meeting folders for the Authority's Board meeting of November 4, 1987.

1. Copy of revised agenda.
2. Copy of a letter from the Los Angeles Department of Water and Power to Arthur T. Devine, dated November 2, 1987, regarding "Reconciliation of 1986-87 Operating Budget for the Palo Verde Project".
3. Copy of a letter, with attachments, from the Los Angeles Department of Water and Power to Arthur T. Devine, dated October 27, 1987, regarding "1988 Budget for Arizona Nuclear Power Project".
4. A copy of "Palo Verde Budget Comparison - July 1, 1986 through June 30, 1987", from R. W. Beck and Associates.
5. A copy of "Palo Verde Schedule of Adjustment for Fiscal Year Ended June 30, 1987", from the Los Angeles Department of Water and Power.
6. Copy of the Power of Attorney related to NEIL Insurance.
7. Copy of Resolution No. 1987-12, regarding the transfer of monies from the General Reserve Fund related to the Southern Transmission Project to the Construction Fund.

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