



TO: Board of Directors
FROM: Bill D. Carnahan
SUBJECT: Finance Committee Report
DATE: January 8, 2014

A meeting of the Finance Committee was held on January 6, 2014 at the SCPPA office in Glendora.

Committee members present were: Brian Beelner (*Anaheim*); Bob Liu (*Burbank*); Rebecca Gallegos (*Colton*); Sondra Ainsworth (IID); Mario Ignacio (LADWP); Shari Thomas (*Pasadena*); and Laura Nomura (*Riverside*).

Others present were: Stephen Cole (*Norton Rose Fulbright*); Dan Hartman, Mike Berwanger, and Will Frymann (via teleconference) (*Public Financial Management*); Therese Savery (LADWP/SCPPA); Bill Carnahan, Robert Rozanski, Steve Homer, Richard Morillo and Daniel Hashimi (SCPPA).

The following are the business matters transacted by the Committee:

1. Minutes

The Committee reviewed and approved the minutes for the December 2, 2013 Finance Committee meeting. The Committee recommended forwarding the minutes to the Board for receipt and filing.

2. Investment Report

The Committee reviewed the Investment Report for the month ended November 30, 2013. The Committee recommended forwarding the report to the Board for receipt and filing.

3. Financial Statements

The Committee reviewed the Quarterly Financial Statements for the quarter ended September 30, 2013. The Committee recommended forwarding the report to the Board for receipt and filing.

4. Project Budget Comparison Reports

The Committee reviewed the Project Budget Comparison Reports for the quarter ended September 30, 2013. The Committee recommended forwarding the reports to the Board for receipt and filing.

5. Hoover Visitor Center

The Committee received a status report on the Hoover Visitor Center and Air Slots debt payoff.

6. Apex Power Project

The Committee received a status report on the 2014 Apex Power Project financing.

7. Magnolia Power Project

The Committee considered and approved issuing Request for Proposals (RFP) for Letters of Credit in connection with the Magnolia Power Project Bonds 2009-1 and 2009-2.

8. SEC Municipal Advisor Rule

The Committee considered options in response to a new SEC Municipal Advisor rule that is scheduled to go into effect on January 13, 2014. No action was taken by the Committee.

9. Market and VRDO Update

The Committee received a market and VRDO status report from PFM. All variable resets continue to be at very low levels. The Committee discussed the economics and risk considerations associated with terminating fixed payor swaps and will further discuss such considerations at the February meeting.

10. Unsolicited Proposals

The Committee reviewed an unsolicited proposal from J.P. Morgan. The Committee took no action with respect to such proposal.

**THE NEXT REGULARLY SCHEDULED
FINANCE COMMITTEE MEETING WILL BE FEBRUARY 3, 2014.**