



**TO:** Board of Directors

**FROM:** Bill D. Carnahan

**SUBJECT:** Finance Committee Report

**DATE:** September 8, 2014

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A meeting of the Finance Committee was held on September 8, 2014 via a conference call at the SCPPA office in Glendora, and various member offices.

**Committee members present were:** Brian Beelner (*Anaheim*); Bob Liu (*Burbank*); Rebecca Gallegos (*Colton*); David Davis (*Glendale*); Belen Valenzuela (*IID*); Mario Ignacio; (*LADWP*); and Shari Thomas; (*Pasadena*).

**Others present were:** Stephen Cole (*Norton Rose Fulbright*); William Fox (*Vernon*); Will Frymann, Mike Berwanger, and Dan Hartman (*Public Financial Management*); Therese Savery (*LADWP/SCPPA*); and Bill Carnahan, Robert Rozanski, 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 August 4, 2014 Finance Committee meeting.

**2. Investment Reports**

The Committee reviewed the Investment Reports for the quarter ended June 30, 2014, and the month ended July 31, 2014. The Committee recommended forwarding the reports to the Board for receipt and filing.

**3. San Juan Power Project Revenue Bonds, 2005 Refunding Series A**

The Committee received a briefing with respect to the results of a solicitation of proposals from a select group of firms to provide a direct purchase option for the refunding of San Juan Power Project Revenue Bonds, 2005 Refunding Series A. The Committee recommended forwarding a resolution to the Board for consideration that, if adopted, would authorize a working group to commence negotiations on a direct purchase loan agreement with Bank of America, N.A., and the Executive Director to execute the terms and conditions with respect to such loan agreement.

**4. Security and Exchange Commission (SEC) Rule 15c2-12**

The Committee received a briefing from Norton Rose Fulbright (Fulbright) on the status of SCPPA's proposed Policies and Procedures for Disclosures Intended or Expected to Reach Investors pursuant to SEC Rule 15c2-12. The proposed Policies and Procedures will be revised to reflect comments received from Member Agencies, and included on the next Committee agenda. The Committee also received an update on the Municipalities Continuing Disclosure Cooperation Initiative.

**5. Tax-Compliance Questionnaire Regarding Tax-Exempt Bonds and Build America Bonds (Questionnaire)**

The Committee received a briefing from Fulbright on the procedures and guidelines regarding compliance with certain federal tax requirements applicable to the Authority's bonds and other obligations. The Committee recommended forwarding a resolution to the Board for consideration that, if adopted, would incorporate amendments to the Questionnaire to include the Apex Power Project that was financed earlier this year.

**6. Market and VRDO Update**

The Committee received a market update and VRDO status report from PFM. The Committee authorized PFM to follow-up with specified firms on their performance with respect to the remarketing of a portion of the Authority's variable rate demand obligations.

**7. Unsolicited Proposals**

The Committee reviewed unsolicited proposals that were received from investment bankers. The Committee requested PFM to obtain additional information with respect to a potential refunding of Southern Transmission System 2000 Series A Variable-Rate Bonds. The Committee did not take any action with respect to such proposals.

**8. Closed Session**

The Committee did not meet in closed session.

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**THE NEXT REGULARLY SCHEDULED  
FINANCE COMMITTEE MEETING WILL BE OCTOBER 6, 2014.**