



TO: Board of Directors
FROM: Bill D. Carnahan
SUBJECT: Finance Committee Report
DATE: October 6, 2014

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

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

Others present were: Stephen Cole (*Norton Rose Fulbright*); Mike Berwanger (*via Telephone*) and Will Frymann (*Public Financial Management*); Therese Savery (*LADWP/SCPPA*); Robert Rozanski and Daniel Hashimi (*SCPPA*); and Shirley Cobos (*Colton*).

The following are the business matters transacted by the Committee:

1. Minutes

The Committee reviewed and approved the minutes for the September 8, 2014 Finance Committee meeting.

2. Investment Reports

The Committee reviewed the Investment Report for the month ended August 31, 2014. The Committee recommended forwarding the report to the Board for receipt and filing.

3. Security and Exchange Commission (SEC) Municipalities Continuing Disclosure Cooperation Initiative

The Committee received a status update on the SEC's Municipalities Continuing Disclosure Cooperation (MCDC) Initiative that included a summary of the results of both internal and external reviews of the Authority's compliance with Rule 15c2-12 over the past ten years. Based upon the immaterial nature of the findings associated with such reviews, Authority staff recommended not self-reporting any continuing disclosure discrepancies to the SEC pursuant to the MCDC Initiative, but instead, submit any notice deemed appropriate to the Electronic Municipal Market Access repository; and to finalize the Authority's draft Policies and Procedures for Disclosures Intended or Expected to Reach Investors pursuant to SEC Rule 15c2-12 and include it on the next Committee agenda. It is anticipated that such Policies and Procedures will be submitted to the Board at its November meeting. The Committee adopted a motion to accept the Authority's staff recommendations.

4. Market and VRDO Update

The Committee received a market update and VRDO status report from PFM. The Committee did not take any action with respect to this item.

5. Unsolicited Proposals

The Committee reviewed unsolicited proposals that were received from investment bankers. The Committee requested that PFM conduct additional analyses and work with staff of the Authority to undertake a Request for Proposals process with respect to a potential refunding opportunity involving the Southern Transmission System Project 2000 Series A Variable Rate Demand Obligations.

6. Closed Session

The Committee did not meet in closed session.

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