



**TO:** Board of Directors

**FROM:** Bill D. Carnahan

**SUBJECT:** Finance Committee Report

**DATE:** September 9, 2013

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A meeting of the Finance Committee was held on September 9, 2013, at the SCPPA office in Glendora.

**Committee members present were:** Ed Zacherl (*Anaheim*); Bob Liu (*Burbank*); Rebecca Gallegos (*Colton*); Shari Thomas (*Pasadena-via teleconference*); Laura Nomura (*Riverside*); Mario Ignacio (*LADWP*); Bill Fox (*Vernon*), Steve Lins (*Glendale*) and Sondra Ainsworth (*IID*).

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

The following matters are the business to be transacted by the Committee.

**1. Investment Report**

The Committee reviewed the Investment Reports for the month and quarter ended June 30, 2013 and for the month ended July 31, 2013. The Committee recommended forwarding the reports to the Board for receipt and filing.

**2. Gas Prepay Project Restructuring**

PFM (Public Financial Management) updated the Committee on the progress of the debt restructuring as proposed by Goldman Sachs. The Consent Solicitation has been extended to September 13<sup>th</sup>. The extension of the consent process as well as incentives to both investors and brokers are intended to increase support and get to the necessary 50%+ consent level.

**3. Market and VRDO Update**

The Committee received a market and VRDO status report from PFM. All variable resets are at all-time low levels.

**4. Unsolicited Proposals**

The Committee reviewed unsolicited proposals from Morgan Stanley and Citi. The Committee took no action with respect to such proposals.

**5. Hoover Visitor Center**

The Committee discussed the status of the Hoover Visitor Center and Air Slots debt payoff. A working group comprised of the Hoover Dam participants has completed drafts of Memorandum of Understanding (MOU) relating the proposed actions to be taken by the respective participants and a payoff letter to be forwarded to the Bureau of Reclamation. Both documents are under review by

SCPPA internal legal counsel. The Committee recommended forwarding to the Board a resolution authorizing SCPPA to 1) execute a non-binding MOU and 2) make prepayments to the Bureau of Reclamation on behalf of certain members.

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**THE NEXT REGULARLY SCHEDULED  
FINANCE COMMITTEE MEETING WILL BE OCTOBER 7, 2013.**