



**TO:** Board of Directors

**FROM:** Bill D. Carnahan

**SUBJECT:** Finance Committee Report

**DATE:** December 6, 2010

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A meeting of the Finance Committee was held on December 6, 2010, at the SCPPA office in Pasadena.

**Committee members in attendance were:** Bill Carnahan (*SCPPA*); Ed Zacherl (*Anaheim*); Bob Liu (*Burbank*); Peggy Keigler (*Colton*); Dave Davis (*Glendale*); Belen Valenzuela (*IID*); Peter Huynh (*LADWP*); Shari Thomas (*Pasadena*); and Reiko Kerr (*Riverside*).

**Others present were:** Stephen Cole (*Fulbright & Jaworski*); Mike Berwanger, Will Frymann and Dan Hartman (*Public Financial Management*); Therese Savery (*LADWP/SCPPA*); Dick Helgeson and Vernon Oates (*SCPPA*).

**1. Financial Statements**

The Committee reviewed the unaudited Quarterly Financial Statements for the period ended September 30, 2010, and recommended forwarding the statements to the Board for receipt and filing.

**2. Investment Reports**

The Committee reviewed the Investment Report for the month of October 2010. The Committee recommended forwarding the reports to the Board for receipt and filing.

**3. Renewable Energy Project Financings**

The Committee received an update from Public Financial Management (PFM) with respect to pending renewable energy project financings: Milford II, Miller Ranch and Windy Point III are all progressing.

**4. 1991 STS Refunding**

The Committee received an update from (PFM) with respect to refunding the 1991 STS Bonds in January, 2011, SCPPA and AIG have tentatively agreed to terms for the refunding and termination of associated derivative and investment contracts, Swap termination has been set at \$29.4 MM as of November 18. SCPPA will issue a series of tax-exempt bonds and a series of taxable bonds to affect the refunding.

The Committee reviewed the Resolution approving the Bonds and the related documents and a Resolution approving the Continuing Disclosure relating to the Bonds and recommended that the Board approve such Resolutions.

The Committee will recommend Goldman Sachs and Citi as Co-Senior Underwriters; Stone & Youngberg, BA/Merrill Lynch and Ramirez as co-managers to the board for the refunding.

**5. Build America Bond Policy**

The Committee reviewed and approved a compliance policy that has been requested by the IRS for tax-exempt and Build America bonds, The Committee reviewed a resolution relating to the policy and recommended that the Board approve such resolution.

**6. Market and VRDO Update**

The Committee received a market and VRDO status report from PFM. All the variable rate bonds are trading well.

**7. Unsolicited Proposals**

The Committee did not take action on any unsolicited proposals that were received from investment bankers.

**8. La Paz Project**

The Committee reviewed a Reimbursement Agreement relating to the La Paz Project and recommended that the Board approve such resolution.

**9. Closed Session**

The Committee went into closed session, No action was taken.

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**THE NEXT REGULARLY SCHEDULED FINANCE COMMITTEE MEETING  
WILL BE HELD MONDAY, JANUARY 3, 2011, AT 10:30 A.M. AT THE SCPPA OFFICE**