

**BOARD OF DIRECTORS
PUENTE HILLS HABITAT PRESERVATION AUTHORITY
Endowment Provided by the Puente Hills Landfill**

To be held at the Joint Administration Office of the
County Sanitation Districts of Los Angeles County
1955 Workman Mill Road, Whittier, California
Special Location: Public Information Conference Room 105

Agency	Director	Alternate
County of Los Angeles	SIMMONS	AVILA
City of Whittier	HENDERSON	NEWCOMER
Hacienda Heights Improvement Association	HUGHES	NATOLI
Sanitation Districts of Los Angeles County	MAGUIN	CHAN

The Puente Hills Habitat Preservation Authority is a public entity established pursuant to the Joint Exercise of Powers Act by agreement with the City of Whittier, County of Los Angeles and Los Angeles County Sanitation Districts. Questions about any agenda items can be directed to Andrea Gullo, Executive Director, at 562.945.9003.

Pursuant to Section 54956 of the Government Code the Puente Hills Habitat Preservation Authority, a Special Meeting of the Board of Directors of the Authority will be held at the call of the Chairperson of the Authority at the above time and place for the purpose of:

1. Receipt of Public Comments.
2. Consideration of approval of Meeting Minutes for December 8, 2011.
3. Discussion and possible action regarding altering the Authority's investment strategy approach for maximizing return on its funds through exploration of various structured investment portfolios and directing staff on how to proceed with implementation. .
4. Discussion and possible action regarding conference with legal counsel – existing litigation. *(This item can be heard in closed session pursuant to Government Code Section 54956.9[a] regarding real estate negotiations.)* Open Space Legal Defense Fund v. City of Whittier, City Council of City of Whittier, Community Conservancy International, Esther Feldman, The County of Los Angeles, et al.
5. Discussion and possible action regarding conference with legal counsel – existing litigation. *(This item can be heard in closed session pursuant to Government Code Section 54956.9[a] regarding real estate negotiations.)* Open Space Legal Defense Fund v. City of Whittier, City Council of City of Whittier, et al.
6. Discussion and possible action regarding conference with legal counsel – anticipated litigation, significant exposure to litigation re: Hellman Park incident. One case. *(This item can be heard in closed session pursuant to Government Code Section 54956.9[b] regarding real estate negotiations.)*

7. Executive Director's comments, and Board Members' statements, responses, questions or directions to staff.
8. Adjournment and announcement of next meeting.

NOTE: Members of the public may address the Board of Directors on any item shown on the agenda.
NOTE: 72 hours prior to Board of Directors meetings, the entire Board of Directors agenda package is available for review, along with any meeting-related writings or documents provided to a majority of the Board members after distribution of the agenda package, in the office of the Puente Hills Habitat Preservation Authority, 7702 Washington Avenue #C, in Whittier.

In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call Melissa Miller at 562.945.9003 at least 48 hours prior to meeting.

DRAFT Special Meeting – December 8, 2011
BOARD OF DIRECTORS
PUENTE HILLS HABITAT PRESERVATION AUTHORITY

Held at the De Luca's Restaurant
16503 E. Whittier Blvd., Whittier, California

The Chairman, Bob Henderson, called the special meeting to order and a roll call was taken at approximately 4:45 p.m.

From City of Whittier:

Present: Bob Henderson, Chairman

From Hacienda Heights Improvement Association:

Present: Michael Hughes, Director

From County of Los Angeles

Present: Dickie Simmons, Vice Chair

From Sanitation Districts of Los Angeles County:

Present: Grace Chan, Alternate Director

Also present: Andrea Gullo, Authority Executive Director
Shannon Lucas, Authority Ecologist
Melissa Miller, Authority Board Secretary
Kenn Hughes, MRCA Deputy Chief Ranger
John Joyce, Authority Volunteer, unincorporated Los Angeles County resident

1. RECEIPT OF PUBLIC COMMENTS.

There were no public comments.

2. CONSIDERATION OF APPROVAL OF MEETING MINUTES FOR NOVEMBER 14, 2011.

Vice Chair Simmons motioned to approve these minutes as drafted, and Alternate Director Chan seconded this motion, which passed unanimously.
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3. REPORT FROM AUTHORITY'S CITIZENS TECHNICAL ADVISORY COMMITTEE (CTAC) LIAISON.

Executive Director Gullo briefly reviewed the matters covered during CTAC's December 6, 2011, meeting, mentioning the following:

DRAFT Special Meeting – December 8, 2011
BOARD OF DIRECTORS
PUEENTE HILLS HABITAT PRESERVATION AUTHORITY

- CTAC recommended that the Board approve the draft letter for this agenda's item 5 as edited by CTAC's suggestions.

4. DISCUSSION AND POSSIBLE ACTION REGARDING DIRECTING STAFF WITH HOW TO PROCEED IN ALTERING THE AUTHORITY'S INVESTMENT STRATEGY APPROACH FOR ITS FUNDS.

Executive Director Gullo distributed copies of some investment portfolio data (a copy of which is included in this public record). She reported that the County has recommended that it could handle the Authority's investing in a structured portfolio that would increase the Authority's investment income by several hundred thousand dollars annually without requiring a lot of management time or expense, while still emphasizing safety and liquidity over return on investment. If a private investment firm is desired then a standard bid process or request for qualifications would have to occur, and management time and expense would likely be higher with the private firm than with the County. The Board requested that a special Board meeting be held next month solely in order to investigate the latest investment possibilities.

5. DISCUSSION AND POSSIBLE ACTION REGARDING A DRAFT AUTHORITY COMMENT LETTER CONCERNING THE SAN GABRIEL WATERSHED AND MOUNTAINS DRAFT SPECIAL RESOURCE STUDY AND ENVIRONMENTAL ASSESSMENT.

Executive Director Gullo briefly introduced this item as presented in the staff report, and noted the few edits that CTAC recommended be made to this draft letter. There was discussion. Alternate Director Chan recommended that the letter also include a specific definition of the expanded area this draft letter supports, and Director Hughes added that the federal designation of the gnatcatcher habitat area also should be referenced. Vice Chair Simmons requested that a copy of the final letter be forwarded to him upon its submission.

Director Hughes motioned that this draft letter be sent with all of CTAC's and the Board's recommendations included. Alternate Director Chan seconded this motion, which passed unanimously.

6. UPDATE REGARDING THE WHITTIER OIL EXTRACTION PROJECT.

Chairman Henderson reported that this project's final environmental impact report and conditional use permit were approved by both the City of Whittier's Planning Commission and its City Council, along with some extensive provisions related to the Authority as noted in this item's staff report. Executive Director Gullo added that the first phase of the feasibility study for the wildlife over/underpass is already being prepared, and she confirmed that this structure's necessity is not in question, only its specifications. Vice Chair Simmons asked when the on-site Ranger will need to be relocated, and Executive Director Gullo responded that that would not occur until after the project's test-drilling process is completed.

Vice Chair Simmons exited the meeting during this item.

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PUENTE HILLS HABITAT PRESERVATION AUTHORITY

- 7. INSTRUCTIONS TO NEGOTIATORS: ANDREA GULLO, EXECUTIVE DIRECTOR AND STEVE HELVEY, CITY MANAGER, ON THE TERMS OF THE PROPOSED CONSERVATION EASEMENT FROM THE CITY OF WHITTIER TO THE AUTHORITY OVER WHITTIER CITY PROPERTIES LOCATED WITHIN THE PRESERVE. (THIS ITEM CAN BE HEARD IN CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.8 REGARDING REAL ESTATE NEGOTIATIONS.) DISCUSSION AND POSSIBLE ACTION ON RESOLUTION NO. 2011-03.**

At 5:17 p.m. Chairman Henderson moved to discuss item 7 in Closed Session.

At 5:26 p.m. Chairman Henderson moved to end the Closed Session and the Open Session recommenced.

No action was taken on this agenda item.

- 8. EXECUTIVE DIRECTOR'S COMMENTS, AND BOARD MEMBERS' STATEMENTS, RESPONSES, QUESTIONS, OR DIRECTIONS TO STAFF.**

Executive Director Gullo reported that the City of Whittier's Parking and Transportation Commission is now considering the traffic volume issue at the Hellman Park Trailhead, which the Authority's Rangers have been closely monitoring as well. She mentioned that the City is exploring expansion of the Hellman Park Trailhead. Deputy Chief Ranger Hughes advised that the toilet facilities at Sycamore Canyon Trailhead will be completed once the process of changing vendors is completed. Executive Director Gullo stated that the relocated gate at Skyline is already receiving compliments, with the camp crews scheduled to install the horse step-over within a few weeks. She noted that the possibility of closing the Colima tunnel to human activity may be brought to the Board for consideration at the next regular meeting, due to the decrease in wildlife activity in the area, and that perhaps an updated trail user survey should also be considered in the future.

- 9. ADJOURNMENT AND ANNOUNCEMENT OF NEXT MEETING.**

There being no further comments, or business to be discussed, Chairman Henderson adjourned the meeting at 5:33 p.m. The next regularly scheduled meeting is expected to occur on Thursday, January 26, 2012, but the date of the special January meeting regarding investments is still to be determined.

Approved:

Bob Henderson, Board Chairman

Melissa Miller, Board Secretary

Puente Hills
Habitat Preservation Authority
Endowment Provided by the Puente Hills Landfill

MEMORANDUM

Date: January 12, 2012

To: Board Members

From: 
Andrea Gallo, Executive Director

Subject: Agenda Item No. 3) Discussion and possible action regarding altering the Authority's investment strategy approach for maximizing return on its funds through exploration of various structured investment portfolios and directing staff on how to proceed with implementation.

Recommendation:

That the Board receive and file the presentation and information provided with this agenda item, and provide necessary direction to staff.

Background:

The Board has discussed alternative strategies of investing its funds at the following past Board meetings: April 28, 2011, October 6, 2011, November 14, 2011, and December 8, 2011. This agenda item is for discussion purposes for how best to proceed with investing the Authority's endowment to gain the greatest return.

Landfill tipping fees received by the Authority topped \$3,913,300 from the 2005 year, but due to the slow economy have bottomed to \$1,840,775 from the 2010 year (this was the last payment received by the Authority on March 2, 2011). Revenues to this agency from the first ten years by the Puente Hills Landfill totaled \$34.9 million. Original long-term budget estimates for the total revenues for a twenty-year period were approximately \$68 to 70 million; however, estimates now are at approximately \$62 million. Additionally, interest rates have gone from 5% (August 2006) down to 1.8% (January 2012).

As a point of reference, the fiscal year 2005-2006 interest earned from the Authority's reserve was approximately \$458,000, and the actual operating budget was \$795,000. The long-term budget assumptions at that time anticipated reserving \$26 million at a 5% interest rate, which would have yielded approximately \$1.3 million a year. The last fiscal year 2010-2011 yielded \$367,700 ending with a \$28.9 million in total funds. As

the Board knows, a combination of a structured portfolio investment strategy (versus a trading portfolio previously discussed at Board meetings using private firms) for about \$24 million or more coupled with a remaining cash amount for immediate or emergency purposes in the County pool (or some other liquid interest-generating account) is needed to sustain current operations at approximately \$900,000 to \$1 million a year. (As of October 2011, the Authority's cash balance was \$28.8 million.)

Attached are four options of structured portfolios provided by Tony Mason, Los Angeles County Investment Officer in the Public Finance and Investments Division of the Treasurer and Tax Collector Department. He will be describing these options to the Board in more detail at the meeting. The following is brief summary of his promising projections:

*Portfolio 1: Cash flow is approximately \$793,750 a year for 8 years

*Portfolio 2: Cash flow is approximately \$841,250 a year for 3 years

Portfolio 3: Cash flow is approximately \$975,135 a year for 3 years

Portfolio 4: Cash flow is approximately \$933,080 a year for 3 years

*These two portfolios use a 30-year Treasury Bond.

The Authority's Memorandum of Understanding with the County executed in May, 2011, enables investing using a structured portfolio that is within the guidelines of the County's Investment Policy Statement. The Authority could create its own Investment Policy Statement consistent with the County's or adopt that of the County to proceed with a structured portfolio investment strategy. The County's service charge yet to be determined ranges between 2 to 5 basis points, most likely the latter according to the MOU.

In order to determine long-term sustainable levels of spending versus revenues from the structured portfolio and County pool returns, more analysis is needed. However, it is expected that with these proposed changes in investment strategy given the current revenue source it is foreseeable for the agency to achieve sustainability in the near future. Since revenues from other sources such as the Whittier oil project or mitigation restoration are uncertain at this time, developing a structured portfolio either with the County or outside firm is recommended in the very near future.

Recommended next steps in the process would be to 1) Discuss investment options provided from the County, 2) Decide whether to invest with the County or an outside firm, 3) Review the long-term agency budget, and 4) Take steps to move forward with investing Authority funds without haste.

Puente Habitat Authority
Investment Holdings by Maturity Date
12/28/2011

Description	Maturity	Settle	Term	Par	Principal	Accrued	Total Cost	Yield	CUSIP	Ratings
General Electric Cap Corp 4.375%	09/16/20	12/07/11	3,185	5,000,000	5,118,500.00	49,218.75	5,167,718.75	4.051%	36962G4R2	AA+/Aa+
FFCB 2.625% [Callable] ytc 2.625	05/14/20	12/05/11	3,060	10,000,000	10,000,000.00	-	10,000,000.00	2.625%	31331KS50	AAA/Aaa
US Treasury Bond 3.125%	11/15/41	12/08/11	10,915	10,000,000	10,118,183.38	19,745.88	10,137,929.26	3.074%	912810QT8	AAA/Aaa

Totals and Weighted Averages
6,232 \$ 25,000,000 \$ 25,236,683.38 \$ 68,964.63 \$ 25,305,648.01 3.096%

Notes:

- CD - Certificate of Deposit
- CP - Commercial Paper
- FFCB - Federal Farm Credit Banks
- FHLB - Federal Home Loan Banks
- FHLMC - Freddie Mac

Weighted average yield and weighted average term are calculated using total cost as the weighting factor.
'Term' is the number of days to maturity.

Coupons (cashflow) equal approximately \$793,750/year for 8 years

Sample Structured Bond Portfolio 1

#1

Puente Habitat Authority
Investment Holdings by Security Type
12/28/2011

Description	Maturity	Settle	Term	Par	Principal	Accrued	Total Cost	Yield	CUSIP	Ratings
Commercial Paper										
Total Commercial Paper			#DIV/0!	-	-	-	-	#DIV/0!		
									Percent of Total Holdings:	0.0%
Certificates of Deposit										
Total Certificates of Deposit			#DIV/0!	-	-	-	-	#DIV/0!		
									Percent of Total Holdings:	0.0%
Corporate & Bank Notes										
General Electric Cap Corp 4.375%	09/16/20	12/07/11	3,185	5,000,000	5,118,500.00	49,218.75	5,167,718.75	4.051%	36962G4R2	AA+/Aa+
Total Corporate & Bank Notes			3,185	5,000,000	5,118,500.00	49,219	5,167,718.75	4.051%		17.9%
									Percent of Total Holdings:	
Federal Agencies										
FFCB 2.625% [Callable] ytc 2.625	05/14/20	12/28/11	3,060	10,000,000	10,000,000.00	-	10,000,000.00	2.625%	31331KS50	AAA/Aaa
Total Federal Agencies			3,060	10,000,000	10,000,000.00	-	10,000,000.00	2.625%		
									Percent of Total Holdings:	35.7%
U. S. Treasuries										
US Treasury Bond 3.125%	11/15/41	12/08/11	10,915	10,000,000	10,118,183.38	19,745.88	10,137,929.26	3.074%	31331KS50	AAA/Aaa
			10,915	10,000,000	10,118,183.38	19,745.88	10,137,929.26	3.074%		
									Percent of Total Holdings:	35.7%
Totals and Weighted Averages			6,232	25,000,000	25,236,683.38	68,964.63	25,305,648.01	3.096%		89.3%
Fund Balance per ECAPS (Remaining in Pool)					3,000,000					
Total Assets Under Management					<u>28,000,000</u>					

Notes:

CD - Certificate of Deposit

CP - Commercial Paper

FFCB - Federal Farm Credit Banks

FHLB - Federal Home Loan Banks

Weighted average yield and weighted average term are calculated using total cost as the weighting factor.

'Term' is the number of days from settlement date to maturity.

Sample Structured Bond Portfolio 1

Puente Habitat Authority
 Schedule of Investment Purchases
 12/28/2011

Description	Maturity	Settle	Term	Par	Principal	Accrued	Total Cost	Yield	CUSIP	Ratings
General Electric Cap Corp 4.375%	09/16/20	12/07/11	3,185	5,000,000	5,118,500.00	49,218.75	5,167,718.75	4.051%	36962G4R2	AA+/Aa+
FFCB 2.625% [Callable] ytc 2.625	05/14/20	12/05/11	3,060	10,000,000	10,000,000.00	-	10,000,000.00	2.625%	31331KS50	AAA/Aaa
US Treasury Bond 3.125%	11/15/41	12/08/11	10,915	10,000,000	10,118,183.38	19,745.88	10,137,929.26	3.074%	912810QT8	AAA/Aaa

6,232	\$	25,000,000	\$	25,236,683	\$	68,965	\$	25,305,648	3.096%
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Sample Structured Bond Portfolio

Puente Habitat Authority
Investments
Cash Flow Schedule
As of 12/28/11

<u>Date</u>	<u>Description</u>	<u>CUSIP</u>	<u>Transaction</u>	<u>Amount</u>	
05/14/12	FFCB 2.625% [Callable]	31331KS50	Coupon	131,250.00	* Callable on 5/14/12
11/14/12	FFCB 2.625% [Callable]	31331KS50	Coupon	131,250.00	* Callable on 5/14/12
05/14/13	FFCB 2.625% [Callable]	31331KS50	Coupon	131,250.00	* Callable on 5/14/12
11/14/13	FFCB 2.625% [Callable]	31331KS50	Coupon	131,250.00	* Callable on 5/14/12
11/14/14	FFCB 2.625% [Callable]	31331KS50	Coupon	131,250.00	* Callable on 5/14/12
05/14/15	FFCB 2.625% [Callable]	31331KS50	Coupon	131,250.00	* Callable on 5/14/12
11/14/15	FFCB 2.625% [Callable]	31331KS50	Coupon	131,250.00	* Callable on 5/14/12
05/14/16	FFCB 2.625% [Callable]	31331KS50	Coupon	131,250.00	* Callable on 5/14/12
11/14/16	FFCB 2.625% [Callable]	31331KS50	Coupon	131,250.00	* Callable on 5/14/12
05/14/17	FFCB 2.625% [Callable]	31331KS50	Coupon	131,250.00	* Callable on 5/14/12
11/14/17	FFCB 2.625% [Callable]	31331KS50	Coupon	131,250.00	* Callable on 5/14/12
05/14/18	FFCB 2.625% [Callable]	31331KS50	Coupon	131,250.00	* Callable on 5/14/12
11/14/18	FFCB 2.625% [Callable]	31331KS50	Coupon	131,250.00	* Callable on 5/14/12
05/14/19	FFCB 2.625% [Callable]	31331KS50	Coupon	131,250.00	* Callable on 5/14/12
11/14/19	FFCB 2.625% [Callable]	31331KS50	Coupon	131,250.00	* Callable on 5/14/12
05/14/20	FFCB 2.625% [Callable]	31331KS50	Maturity	<u>10,131,250.00</u>	* Callable on 5/14/12
	FFCB 2.625% [Callable]	→	Total Cash Flow	<u>\$ 12,100,000.00</u>	
03/16/12	General Electric Cap Corp 4.375%	36962G4R2	Coupon	109,375.00	
09/16/12	General Electric Cap Corp 4.375%	36962G4R2	Coupon	109,375.00	
03/16/13	General Electric Cap Corp 4.375%	36962G4R2	Coupon	109,375.00	
09/16/13	General Electric Cap Corp 4.375%	36962G4R2	Coupon	109,375.00	
03/16/14	General Electric Cap Corp 4.375%	36962G4R2	Coupon	109,375.00	
09/16/14	General Electric Cap Corp 4.375%	36962G4R2	Coupon	109,375.00	
03/16/15	General Electric Cap Corp 4.375%	36962G4R2	Coupon	109,375.00	
09/16/15	General Electric Cap Corp 4.375%	36962G4R2	Coupon	109,375.00	
03/16/16	General Electric Cap Corp 4.375%	36962G4R2	Coupon	109,375.00	
09/16/16	General Electric Cap Corp 4.375%	36962G4R2	Coupon	109,375.00	
03/16/17	General Electric Cap Corp 4.375%	36962G4R2	Coupon	109,375.00	
09/16/17	General Electric Cap Corp 4.375%	36962G4R2	Coupon	109,375.00	
03/16/18	General Electric Cap Corp 4.375%	36962G4R2	Coupon	109,375.00	
09/16/18	General Electric Cap Corp 4.375%	36962G4R2	Coupon	109,375.00	
03/16/19	General Electric Cap Corp 4.375%	36962G4R2	Coupon	109,375.00	
09/16/19	General Electric Cap Corp 4.375%	36962G4R2	Coupon	109,375.00	
03/16/20	General Electric Cap Corp 4.375%	36962G4R2	Coupon	109,375.00	
09/16/20	General Electric Cap Corp 4.375%	36962G4R2	Maturity	<u>5,109,375.00</u>	
	General Electric Cap Corp 4.375%	→	Total Cash Flow	<u>\$ 6,968,750.00</u>	
Various	USTN 3.125%	91281QT8	Total Cpn's	\$ 9,375,000.00	\$156,250/ 6 months *30 Years
11/15/41	USTN 3.125%	91281QT8	Maturity	\$ 10,000,000.00	
			Total Cash Flow	\$ 19,375,000.00	
			Grand Total Cash Flow	<u>\$ 38,443,750.00</u>	

*Coupons are contingent with non-call - if called, proceeds should be reinvested in similar securities

Puente Habitat Authority
Investment Holdings by Maturity Date
12/28/2011

Description	Maturity	Settle	Term	Par	Principal	Accrued	Total Cost	Yield	CUSIP	Ratings
Bank of New York Mellon 4.75%	12/15/14	12/12/11	1,083	5,000,000	5,118,500.00	116,770.83	5,235,270.83	1.732%	585907AM0	AA+/Aa+
General Electric Cap Corp 1.60%	12/07/14	12/07/11	1,075	5,000,000	5,000,000.00	-	5,000,000.00	1.600%	New Issue	AA+/Aa+
FFCB 2.625% [Callable] ytc 2.625	05/14/20	12/05/11	3,060	5,000,000	5,000,000.00	-	5,000,000.00	2.625%	31331KS50	AAA/Aaa
US Treasury Bond 3.125%	11/15/41	12/08/11	10,915	10,000,000	10,118,183.38	19,745.88	10,137,929.26	3.074%	912810QT8	AAA/Aaa

Totals and Weighted Averages

5,399 \$ 25,000,000 \$ 25,236,683.38 \$ 136,516.71 \$ 25,373,200.09 2.418%

Notes:

- CD - Certificate of Deposit
- CP - Commercial Paper
- FFCB - Federal Farm Credit Banks
- FHLB - Federal Home Loan Banks
- FHLMC - Freddie Mac

Weighted average yield and weighted average term are calculated using total cost as the weighting factor.
Term¹ is the number of days to maturity.

Cashflow equals approximately \$841,250/year for 3 years

Sample Structured Bond Portfolio 2

#2

Puente Habitat Authority
Investment Holdings by Security Type
12/28/2011

Description	Maturity	Settle	Term	Par	Principal	Accrued	Total Cost	Yield	CUSIP	Ratings
Commercial Paper										
Total Commercial Paper			#DIV/0!	-	-	-	-	#DIV/0!		
									Percent of Total Holdings:	0.0%
Certificates of Deposit										
Total Certificates of Deposit			#DIV/0!	-	-	-	-	#DIV/0!		
									Percent of Total Holdings:	0.0%
Corporate & Bank Notes										
General Electric Cap Corp 1.60%	12/07/14	12/07/11	1,075	5,000,000	5,000,000.00	-	5,000,000.00	1.600%	36962G4R2	AA+/Aa+
Bank of New York Mellon MTN	12/15/14	12/12/11	1,083	5,000,000	5,118,500.00	116,770.83	5,235,270.83	1.732%	585907AM0	AA+/Aa+
Total Corporate & Bank Notes			1,079	10,000,000	10,118,500.00	116,771	10,235,270.83	1.668%		35.7%
									Percent of Total Holdings:	
Federal Agencies										
FFCB 2.625% [Callable] ytc 2.625	05/14/20	12/28/11	3,060	5,000,000	5,000,000.00	-	5,000,000.00	2.625%	31331KS50	AAA/Aaa
Total Federal Agencies			3,060	5,000,000	5,000,000.00	-	5,000,000.00	2.625%		
									Percent of Total Holdings:	17.9%
U. S. Treasuries										
US Treasury Bond 3.125%	11/15/41	12/08/11	10,915	10,000,000	10,118,183.38	19,745.88	10,137,929.26	3.074%	31331KS50	AAA/Aaa
			10,915	10,000,000	10,118,183.38	19,745.88	10,137,929.26	3.074%		
									Percent of Total Holdings:	35.7%
Totals and Weighted Averages			5,399	25,000,000	25,236,683.38	136,516.71	25,373,200.09	2.418%		89.3%
Fund Balance per ECAPS (Remaining in Pool)					3,000,000					
Total Assets Under Management					28,000,000					

Notes:

CD - Certificate of Deposit

CP - Commercial Paper

FFCB - Federal Farm Credit Banks

FHLB - Federal Home Loan Banks

Weighted average yield and weighted average term are calculated using total cost as the weighting factor.

'Term' is the number of days from settlement date to maturity.

Sample Structured Bond Portfolio 2

Puente Habitat Authority
 Schedule of Investment Purchases
 12/28/2011

Description	Maturity	Settle	Term	Par	Principal	Accrued	Total Cost	Yield	CUSIP	Ratings	
Bank of New York Mellon 4.75%	12/15/14	12/12/11	1,083	5,000,000	5,118,500.00	116,770.83	5,235,270.83	1.732%	585907AM0	AA+/Aa+	3 Yr MTN
General Electric Cap Corp 1.60%	12/07/14	12/07/11	1,075	5,000,000	5,000,000.00	-	5,000,000.00	1.600%	New Issue	AA+/Aa+	3 Yr Bullet
FFCB 2.625% [Callable] ytc 2.625	05/14/20	12/05/11	3,060	5,000,000	5,000,000.00	-	5,000,000.00	2.625%	31331KS50	AAA/Aaa	8.5NC3
US Treasury Bond 3.125%	11/15/41	12/08/11	10,915	10,000,000	10,118,183.38	19,745.88	10,137,929.26	3.074%	912810QT8	AAA/Aaa	30 Yr Bullet
			5,399	\$ 25,000,000	\$ 25,236,683	\$ 136,517	\$ 25,373,200	2.418%			

Sample Structured Bond Portfolio

Puente Habitat Authority
Investments
Cash Flow Schedule
As of 12/28/11

Date	Description	CUSIP	Transaction	Amount	
05/14/12	FFCB 2.625% [Callable]	31331KS50	Coupon	65,625.00	* Callable on 5/14/12
11/14/12	FFCB 2.625% [Callable]	31331KS50	Coupon	65,625.00	* Callable on 5/14/12
05/14/13	FFCB 2.625% [Callable]	31331KS50	Coupon	65,625.00	* Callable on 5/14/12
11/14/13	FFCB 2.625% [Callable]	31331KS50	Coupon	65,625.00	* Callable on 5/14/12
11/14/14	FFCB 2.625% [Callable]	31331KS50	Coupon	65,625.00	* Callable on 5/14/12
05/14/15	FFCB 2.625% [Callable]	31331KS50	Coupon	65,625.00	* Callable on 5/14/12
11/14/15	FFCB 2.625% [Callable]	31331KS50	Coupon	65,625.00	* Callable on 5/14/12
05/14/16	FFCB 2.625% [Callable]	31331KS50	Coupon	65,625.00	* Callable on 5/14/12
11/14/16	FFCB 2.625% [Callable]	31331KS50	Coupon	65,625.00	* Callable on 5/14/12
05/14/17	FFCB 2.625% [Callable]	31331KS50	Coupon	65,625.00	* Callable on 5/14/12
11/14/17	FFCB 2.625% [Callable]	31331KS50	Coupon	65,625.00	* Callable on 5/14/12
05/14/18	FFCB 2.625% [Callable]	31331KS50	Coupon	65,625.00	* Callable on 5/14/12
11/14/18	FFCB 2.625% [Callable]	31331KS50	Coupon	65,625.00	* Callable on 5/14/12
05/14/19	FFCB 2.625% [Callable]	31331KS50	Coupon	65,625.00	* Callable on 5/14/12
11/14/19	FFCB 2.625% [Callable]	31331KS50	Coupon	65,625.00	* Callable on 5/14/12
05/14/20	FFCB 2.625% [Callable]	31331KS50	Maturity	<u>5,065,625.00</u>	* Callable on 5/14/12
	FFCB 2.625% [Callable]	→	Total Cash Flow	<u>\$ 6,050,000.00</u>	
06/07/12	General Electric Cap Corp 1.60%	New Issue	Coupon	80,000.00	
12/07/12	General Electric Cap Corp 1.60%	New Issue	Coupon	80,000.00	
06/07/13	General Electric Cap Corp 1.60%	New Issue	Coupon	80,000.00	
12/07/13	General Electric Cap Corp 1.60%	New Issue	Coupon	80,000.00	
06/07/14	General Electric Cap Corp 1.60%	New Issue	Coupon	80,000.00	
12/07/14	General Electric Cap Corp 1.60%	New Issue	Maturity	5,080,000.00	
	General Electric Cap Corp 1.60%	→	Total Cash Flow	<u>\$ 5,480,000.00</u>	
12/15/11	Bank of New York Mellon 4.75%	585907AM0	Coupon	118,750.00	
06/15/12	Bank of New York Mellon 4.75%	585907AM0	Coupon	118,750.00	
12/15/12	Bank of New York Mellon 4.75%	585907AM0	Coupon	118,750.00	
06/15/13	Bank of New York Mellon 4.75%	585907AM0	Coupon	118,750.00	
12/15/13	Bank of New York Mellon 4.75%	585907AM0	Coupon	118,750.00	
06/15/14	Bank of New York Mellon 4.75%	585907AM0	Coupon	118,750.00	
12/15/14	Bank of New York Mellon 4.75%	585907AM0	Maturity	5,118,750.00	
	Bank of New York Mellon 4.75%		Total Cash Flow	<u>\$ 5,831,250.00</u>	
Various	USTN 3.125%	91281QT8	Total Cpns	\$ 9,375,000.00	\$156,250/ 6 months *30 Years
11/15/41	USTN 3.125%	91281QT8	Maturity	\$ 10,000,000.00	
			Total Cash Flow	<u>\$ 19,375,000.00</u>	
			Grand Total Cash Flow	<u>\$ 36,736,250.00</u>	

*Coupons are contingent with non-call - if called, proceeds should be reinvested in similar securities

Sample Structered Bond Portfolio 2

Puente Habitat Authority
Investment Holdings by Maturity Date
1/3/2012

Description	Maturity	Settle	Term	Par	Principal	Accrued	Total Cost	Yield	CUSIP	Ratings
General Electric Cap Corp 5.90%	05/13/14	01/03/12	861	5,000,000	5,471,500.00	40,972.22	5,512,472.22	1.800%	36962G4R2	AA+/Aa+
FHLB 3.59% [Callable] ytc 3.59%	12/30/26	12/30/11	5,475	11,200,000	11,200,000.00	-	11,200,000.00	3.590%	313376QK4	AA/Aa
FFCB 2.80% Note	10/15/24	12/29/11	4,669	5,000,000	4,939,800.00	26,833.33	4,966,633.33	2.913%	3133FXBK2	AA/Aa
LAUSD GO Muni Bond	07/01/32	01/03/12	7,485	2,800,000	2,947,392.00	777.78	2,948,169.78	4.600%	544646JQ6	AA/AA-

Totals and Weighted Averages
4,520 \$ 24,000,000 \$ 24,558,692.00 \$ 68,583.33 \$ 24,627,275.33 3.174%

Notes:
CD - Certificate of Deposit
CP - Commercial Paper
FFCB - Federal Farm Credit Banks
FHLB - Federal Home Loan Banks
FHLMC - Freddie Mac
Weighted average yield and weighted average term are calculated using total cost as the weighting factor.
Term' is the number of days to maturity.

Coupons (cashflow) equal approximately \$975,135.56/year for 3 years

Sample Structured Bond Portfolio 3

3

Puente Habitat Authority
Investment Holdings by Security Type
1/3/2012

Description	Maturity	Settle	Term	Par	Principal	Accrued	Total Cost	Yield	CUSIP	Ratings
Commercial Paper										
Total Commercial Paper			#DIV/0!	-	-	-	-	#DIV/0!		
									Percent of Total Holdings:	0.0%
Certificates of Deposit										
Total Certificates of Deposit			#DIV/0!	-	-	-	-	#DIV/0!		
									Percent of Total Holdings:	0.0%
Corporate & Bank Notes										
General Electric Cap Corp 5.90%	05/13/14	01/03/12	861	5,000,000	5,471,500.00	40,972.22	5,512,472.22	1.800%	36962G4R2	AA+/Aa+
Total Corporate & Bank Notes			861	5,000,000	5,471,500.00	40,972	5,512,472.22	1.800%		17.9%
									Percent of Total Holdings:	
Federal Agencies										
FHLB 3.59% [Callable] ytc 3.59%	12/30/26	12/30/11	5,475	11,200,000	11,200,000.00	-	11,200,000.00	3.590%	313376QK4	AA/Aa
FFCB 2.80% Note	10/15/24	12/29/11	4,669	5,000,000	4,939,800.00	26,833.33	4,966,633.33	2.913%	3133FXBK2	AA/Aa
Total Federal Agencies			5,227	16,200,000	16,139,800.00	26,833.33	16,166,633.33	3.382%		
									Percent of Total Holdings:	57.9%
California Municipal Bonds										
LAUSD GO Muni Bond	07/01/32	01/03/12	7,485	2,800,000	2,947,392.00	777.78	2,948,169.78	4.600%	544646JQ6	AA/AA-
									Percent of Total Holdings:	10.0%
U. S. Treasuries										
			#DIV/0!	-	-	-	-	#DIV/0!		
									Percent of Total Holdings:	0.0%
Totals and Weighted Averages			4,520	24,000,000.00	24,558,692.00	68,583.33	24,627,275.33	3.174%		85.7%
Fund Balance per ECAPS (Remaining in Pool)				4,000,000						
Total Assets Under Management				<u>28,000,000</u>						

Notes:

CD - Certificate of Deposit

CP - Commercial Paper

FFCB - Federal Farm Credit Banks

FHLB - Federal Home Loan Banks

Weighted average yield and weighted average term are calculated using total cost as the weighting factor.

'Term' is the number of days from settlement date to maturity.

Sample Structured Bond Portfolio 3

Puente Habitat Authority
 Schedule of Investment Purchases
 1/3/2012

Description	Maturity	Settle	Term	Par	Principal	Accrued	Total Cost	Yield	CUSIP	Ratings
General Electric Cap Corp 5.90%	05/13/14	01/03/12	861	5,000,000	5,471,500.00	40,972.22	5,512,472.22	1.800%	36962G4R2	AA+/Aa+
FHLB 3.59% [Callable] ytc 3.59%	12/30/26	12/30/11	5,475	11,200,000	11,200,000.00	-	11,200,000.00	3.590%	313376QK4	AA/Aa
FFCB 2.80% Note	10/15/24	12/29/11	4,669	5,000,000	4,939,800.00	26,833.33	4,966,633.33	2.913%	3133FXBK2	AA/Aa
LAUSD GO Muni Bond	07/01/32	01/03/12	7,485	2,800,000	2,947,392.00	777.78	2,948,169.78	4.600%	544646JQ6	AA/AA-
			4,520	\$ 24,000,000	\$ 24,558,692	\$ 68,583	\$ 24,627,275	3.174%		

Sample Structured Bond Portfolio 3

Puente Habitat Authority
Investments
Cash Flow Schedule
As of 1/3/12

Date	Description	CUSIP	Transaction	Amount	
04/15/12	FFCB 2.80% [Callable]	3133FXBK2	Coupon	68,055.56	
10/15/12	FFCB 2.80% [Callable]	3133FXBK2	Coupon	70,000.00	
04/15/13	FFCB 2.80% [Callable]	3133FXBK2	Coupon	70,000.00	
10/15/13	FFCB 2.80% [Callable]	3133FXBK2	Coupon	70,000.00	
04/15/14	FFCB 2.80% [Callable]	3133FXBK2	Coupon	70,000.00	
10/15/14	FFCB 2.80% [Callable]	3133FXBK2	Coupon	70,000.00	
04/15/15	FFCB 2.80% [Callable]	3133FXBK2	Coupon	70,000.00	
10/15/15	FFCB 2.80% [Callable]	3133FXBK2	Coupon	70,000.00	
04/15/16	FFCB 2.80% [Callable]	3133FXBK2	Coupon	70,000.00	
10/15/16	FFCB 2.80% [Callable]	3133FXBK2	Coupon	70,000.00	
04/15/17	FFCB 2.80% [Callable]	3133FXBK2	Coupon	70,000.00	
10/15/17	FFCB 2.80% [Callable]	3133FXBK2	Coupon	70,000.00	
04/15/18	FFCB 2.80% [Callable]	3133FXBK2	Coupon	70,000.00	
10/15/18	FFCB 2.80% [Callable]	3133FXBK2	Coupon	70,000.00	
04/15/19	FFCB 2.80% [Callable]	3133FXBK2	Coupon	70,000.00	
10/15/19	FFCB 2.80% [Callable]	3133FXBK2	Coupon	70,000.00	
04/15/20	FFCB 2.80% [Callable]	3133FXBK2	Coupon	70,000.00	
10/15/20	FFCB 2.80% [Callable]	3133FXBK2	Coupon	70,000.00	
04/15/21	FFCB 2.80% [Callable]	3133FXBK2	Coupon	70,000.00	
10/15/21	FFCB 2.80% [Callable]	3133FXBK2	Coupon	70,000.00	
04/15/22	FFCB 2.80% [Callable]	3133FXBK2	Coupon	70,000.00	
10/15/22	FFCB 2.80% [Callable]	3133FXBK2	Coupon	70,000.00	
04/15/23	FFCB 2.80% [Callable]	3133FXBK2	Coupon	70,000.00	
10/15/23	FFCB 2.80% [Callable]	3133FXBK2	Coupon	70,000.00	
04/15/24	FFCB 2.80% [Callable]	3133FXBK2	Coupon	70,000.00	
10/15/24	FFCB 2.80% [Callable]	3133FXBK2	Maturity	\$ 5,070,000.00	
			Total	\$ 6,818,055.56	
05/13/12	General Electric Cap Corp 5.90%	36962G4C5	Coupon	147,500.00	
11/13/12	General Electric Cap Corp 5.90%	36962G4C5	Coupon	147,500.00	
05/13/13	General Electric Cap Corp 5.90%	36962G4C5	Coupon	147,500.00	
11/13/13	General Electric Cap Corp 5.90%	36962G4C5	Coupon	147,500.00	
05/13/14	General Electric Cap Corp 5.90%	36962G4C5	Maturity	5,147,500.00	
			Total	\$ 5,737,500.00	
06/30/12	FHLB 3.59% [Callable] ytc 3.59%	313376QK4	Coupon	201,040.00	* Callable on 3/30/12
12/30/12	FHLB 3.59% [Callable] ytc 3.59%	313376QK4	Coupon	201,040.00	
thru 6/26	FHLB 3.59% [Callable] ytc 3.59%	313376QK4	Coupon	5,026,000.00	\$201,040/6 months x 12.5 years
12/30/26	FHLB 3.59% [Callable] ytc 3.59%	313376QK4	Maturity	11,201,040.00	5,026,000.00
			Total	\$ 16,629,120.00	
07/01/12	LAUSD GO Muni Bond	544646JQ6	Coupon	70,000.00	
01/01/13	LAUSD GO Muni Bond	544646JQ6	Coupon	70,000.00	
thru 1/32	LAUSD GO Muni Bond	544646JQ6	Coupon	1,295,000.00	\$70,000/6 months x 18.5 years
07/01/32	LAUSD GO Muni Bond	544646JQ6	Maturity	\$ 4,580,000.00	1,295,000.00
			Total	\$ 6,015,000.00	
			Grand Total Cash Flow	\$ 35,199,675.56	

*Coupons are contingent with non-call - if called, proceeds should be reinvested in similar securities

Sample Structered Bond Portfolio 3

Yearly Cash Flow for 3 years \$975,135.56 *

Puente Habitat Authority
Investment Holdings by Maturity Date
1/15/2012

Description	Maturity	Settle	Term	Par	Principal	Accrued	Total Cost	Yield	CUSIP	Ratings
General Electric Cap Corp 5.90%	05/13/14	01/03/12	849	4,000,000	4,377,200.00	32,777.78	4,409,977.78	1.801%	36962G4R2	AA+/Aa+
FHLB 3.59% [Callable] Ytc 3.59%	12/30/26	12/30/11	5,463	8,200,000	8,200,000.00	-	8,200,000.00	3.590%	313376QK4	AA/Aa
FFCB 3.55% [Callable] Ytc 3.35%	07/11/25	01/11/12	4,926	5,000,000	5,000,000.00	-	5,000,000.00	3.350%	31331K5V8	AA/Aa
LAUSD GO Muni Bond	07/01/32	01/03/12	7,473	2,800,000	2,947,392.00	777.78	2,948,169.78	4.600%	544646JQ6	AA/AA-
Rabobank Nederland MTN	01/15/15	01/15/12	1,096	4,000,000	4,000,000.00	-	4,000,000.00	2.380%		AAA/Aaa

Totals and Weighted Averages
 4,055 \$ 24,000,000 \$ 24,524,592.00 \$ 33,555.56 \$ 24,558,147.56 3.144%

Notes:

- CD - Certificate of Deposit
- CP - Commercial Paper
- FFCB - Federal Farm Credit Banks
- FHLB - Federal Home Loan Banks
- FHLMC - Freddie Mac

Weighted average yield and weighted average term are calculated using total cost as the weighting factor.
 'Term' is the number of days to maturity.

Cashflow equals \$933,080.00 per year for 3 years*

Sample Structured Bond Portfolio 4

* Called Bonds would be replaced with similar securities maintain approximate cash flows

#4

Puente Habitat Authority
Investment Holdings by Security Type
1/15/2012

Description	Maturity	Settle	Term	Par	Principal	Accrued	Total Cost	Yield	CUSIP	Ratings
Commercial Paper										
Total Commercial Paper			#DIV/0!	-	-	-	-	#DIV/0!		
									Percent of Total Holdings:	0.0%
Certificates of Deposit										
Total Certificates of Deposit			#DIV/0!	-	-	-	-	#DIV/0!		
									Percent of Total Holdings:	0.0%
Corporate & Bank Notes										
General Electric Cap Corp 5.90%	05/13/14	01/03/12	849	4,000,000	4,377,200.00	32,777.78	4,409,977.78	1.801%	36962G4R2	AA+/Aa+
Rabobank Nederland MTN	01/15/15	01/15/12	1,096	4,000,000	4,000,000.00	-	4,000,000.00	2.380%		AAA/Aaa
Total Corporate & Bank Notes			966	8,000,000	8,377,200.00	32,778	8,409,977.78	2.076%	28.6%	
									Percent of Total Holdings:	
Federal Agencies										
FHLB 3.59% [Callable] ytc 3.59%	12/30/26	12/30/11	5,463	8,200,000	8,200,000.00	-	8,200,000.00	3.590%	313376QK4	AA/Aa
FFCB 3.55% [Callable] ytc 3.35%	07/11/25	01/11/12	4,926	5,000,000	5,000,000.00	-	5,000,000.00	3.350%	31331K5V8	AA/Aa
Total Federal Agencies			5,260	13,200,000	13,200,000.00	-	13,200,000.00	3.499%		
									Percent of Total Holdings:	47.1%
California Municipal Bonds										
LAUSD GO Muni Bond	07/01/32	01/03/12	7,473	2,800,000	2,947,392.00	777.78	2,948,169.78	4.600%	544646JQ6	AA/AA-
									Percent of Total Holdings:	10.0%
U. S. Treasuries										
			#DIV/0!	-	-	-	-	#DIV/0!		
									Percent of Total Holdings:	0.0%
Totals and Weighted Averages			4,055	24,000,000.00	24,524,592.00	33,555.56	24,558,147.56	3.144%	85.7%	
Fund Balance per ECAPS (Remaining in Pool)				4,000,000						
Total Assets Under Management				28,000,000						

Notes:

CD - Certificate of Deposit

CP - Commercial Paper

FFCB - Federal Farm Credit Banks

FHLB - Federal Home Loan Banks

Weighted average yield and weighted average term are calculated using total cost as the weighting factor.

'Term' is the number of days from settlement date to maturity.

Sample Structured Bond Portfolio 4

Puente Habitat Authority
Schedule of Investment Purchases
1/15/2012

Description	Maturity	Settle	Term	Par	Principal	Accrued	Total Cost	Yield	CUSIP	Ratings
General Electric Cap Corp 5.90%	05/13/14	01/03/12	849	4,000,000	4,377,200.00	32,777.78	4,409,977.78	1.801%	36962G4R2	AA+/Aa+
FHLB 3.59% [Callable] ytc 3.59%	12/30/26	12/30/11	5,463	8,200,000	8,200,000.00	-	8,200,000.00	3.590%	313376QK4	AA/Aa
FFCB 3.55% [Callable] ytc 3.35%	07/11/25	01/11/12	4,926	5,000,000	5,000,000.00	-	5,000,000.00	3.350%	31331K5V8	AA/Aa
LAUSD GO Muni Bond	07/01/32	01/03/12	7,473	2,800,000	2,947,392.00	777.78	2,948,169.78	4.600%	544646JQ6	AA/AA-
Rabobank Nederland MTN	01/15/15	01/15/12	1,096	4,000,000	4,000,000.00	-	4,000,000.00	2.380%		AAA/Aaa
			4,055	\$ 24,000,000	\$ 24,524,592	\$ 33,556	\$ 24,558,148			3.144%

Sample Structured Bond Portfolio 4

Puente Habitat Authority
Investments
Cash Flow Schedule
As of 1/15/12

Date	Description	CUSIP	Transaction	Amount	
07/11/12	FFCB 3.55% [Callable]	31331K5V8	Coupon	83,750.00	* Callable on 4/11/12
01/11/13	FFCB 3.55% [Callable]	31331K5V8	Coupon	83,750.00	
thru 1/25	FFCB 3.55% [Callable]	31331K5V8	Coupon	2,010,000.00	83,750/6 months x 12 years =
07/22/15	FFCB 3.55% [Callable]	31331K5V8	Maturity	5,083,750.00	2,010,000.00
			Total	<u>\$ 7,261,250.00</u>	
05/13/12	General Electric Cap Corp 5.90%	36962G4C5	Coupon	118,000.00	
11/13/12	General Electric Cap Corp 5.90%	36962G4C5	Coupon	118,000.00	
05/13/13	General Electric Cap Corp 5.90%	36962G4C5	Coupon	118,000.00	
11/13/13	General Electric Cap Corp 5.90%	36962G4C5	Coupon	118,000.00	
05/13/14	General Electric Cap Corp 5.90%	36962G4C5	Maturity	4,118,000.00	
			Total	<u>\$ 4,590,000.00</u>	
06/30/12	FHLB 3.59% [Callable] ytc 3.59%	313376QK4	Coupon	147,190.00	* Callable on 3/30/12
12/30/12	FHLB 3.59% [Callable] ytc 3.59%	313376QK4	Coupon	147,190.00	
thru 6/26	FHLB 3.59% [Callable] ytc 3.59%	313376QK4	Coupon	3,679,750.00	\$147190/6 months x 12.5 years
12/30/26	FHLB 3.59% [Callable] ytc 3.59%	313376QK4	Maturity	8,347,190.00	3,679,750.00
			Total	<u>\$ 12,321,320.00</u>	
07/01/12	LAUSD GO Muni Bond	544646JQ6	Coupon	70,000.00	
01/01/13	LAUSD GO Muni Bond	544646JQ6	Coupon	70,000.00	
thru 1/32	LAUSD GO Muni Bond	544646JQ6	Coupon	1,295,000.00	\$70,000/6 months x 18.5 years
07/01/32	LAUSD GO Muni Bond	544646JQ6	Maturity	\$ 4,580,000.00	1,295,000.00
			Total	<u>\$ 6,015,000.00</u>	
07/15/12	Rabobank Nederland MTN		Coupon	47,600.00	
01/15/13	Rabobank Nederland MTN		Coupon	47,600.00	
07/15/13	Rabobank Nederland MTN		Coupon	47,600.00	
01/15/14	Rabobank Nederland MTN		Coupon	47,600.00	
07/15/14	Rabobank Nederland MTN		Coupon	47,600.00	
01/15/15	Rabobank Nederland MTN		Maturity	\$ 4,047,600.00	
			Total	<u>\$ 4,285,600.00</u>	
			Grand Total Cash Flow	<u>\$ 34,473,170.00</u>	

*Coupons are contingent with non-call - if called, proceeds should be reinvested in similar securities

Sample Structured Bond Portfolio 4

Yearly Cash Flow for 3 years \$933,080.00 *

Additional Materials

Open Space Legal Defense Fund files lawsuit challenging Whittier's right to drill for oil

By Mike Sprague, Staff Writer

Posted: 12/29/2011 09:45:10 PM PST

WHITTIER - The anti-oil-drilling Open Space Legal Defense Fund has filed a lawsuit challenging the environmental impact report the City Council approved in November to allow drilling in the Whittier hills.

Specifically, the lawsuit accused the report of understating greenhouse gas emissions, failing to show that odor mitigations will work, and not identifying all significant effects on animals and plant life in the hills.

"The environmental document prepared by Marine Research Specialists was woefully deficient and inadequate," said GERALYN SKAPIK, an attorney for Open Space Legal Defense Fund. "The findings made by the City Council to support approval of this document are not supported by any evidence in the record."

The report also failed to address potential risks of pipeline failure, did a poor job of analyzing drainage issues, and didn't address noise impacts, according to the lawsuit.

Jeff Collier, chief assistant city manager, said he couldn't comment on the lawsuit.

"I can't give a first blush on the merits of the case until we have a chance to go through the case in depth," Collier said.

But he also said he believes Ventura-based Marine Research Specialists did a good job of analyzing the oil project.

"We believe (the report) adequately covered all items and all issues and (the city) allowed them to be aired," Collier said.

"We looked at it very closely and responded to each of the comments," he said. "We hired one of the premier environmental firms with expertise in oil production as well."

The lawsuit also includes some issues not related to the environmental impact report.

It accuses the City Council of violating the city charter because Planning Commissioner Harry Stone was termed out but was allowed to take part in the public hearing on Matrix Oil Co.'s proposal to drill for oil in the Whittier hills.

The council voted to eliminate term limits after Kimberly Hall Barlow, deputy city attorney, reviewed the issue. Barlow found the city charter requires commissioners to continue to serve until they have been replaced, but the municipal code imposes term limits of 10 years.

Without the action, Whittier would have been in violation of the charter because the Planning Commission would have only had four members, she said at the time.

The lawsuit also states that oil drilling is inconsistent with the city's general plan.

City officials have said the existing zoning ordinance allows oil drilling in all sections of the city as long as there is a conditional-use permit.

The city also should have recirculated the environmental impact report after Matrix proposed a change in the site configuration that eliminated the need to remove 147,000 cubic yards of dirt and take it out by truck, the lawsuit stated.

The information on this proposal was placed in Appendix O of the report and thus many people would have missed it, the lawsuit contended.

"The report deprives the public of the opportunity to comment on the redesign of the project as described in Appendix O," it stated. "The redesign of the project ... amounts to significant information mandating recirculation of the EIR."

Luis Perez, a project manager for Marine Research Specialists, said during City Council and Planning Commission hearings that the change was not significant enough to call for recirculation.

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Complaints of electrical towers spread to Rowland Heights

By Steve Scauzillo, Staff Writer
Posted: 12/29/2011 10:57:32 AM PST

Residents of Rowland Heights are joining others from Duarte, Chino Hills and Chino in asking that new electrical towers be moved or re-routed.

The issue is being championed by Assemblyman Curt Hagman, R-Chino Hills, who also represents 80 percent of Rowland Heights. Hagman updated the Rowland Heights Coordinating Council recently about the problem and the group's options.

Rowland Heights residents are objecting to a new, 168-foot-high tower built in the summer that will be only about 50 feet from a proposed Rowland Heights Community Center when the building is completed in 2013. A second electrical tower, part of the Southern California Edison Tehachapi Renewable Transmission Project, is planned for the hillside immediately behind the proposed community center.

The two towers put a crimp in plans for an \$18 million community center for Pathfinder Regional County Park in Rowland Heights. The new center has been planned since 2009. However, the community was not aware the electrical towers would be so high and so close to the proposed building, residents said.

"We didn't know that they were going to put additional ones in," said Ted Ebenkamp, first vice president of the Rowland Heights Coordinating Council. The RHCC, an unofficial body representing the unincorporated community of Rowland Heights, will decide at its Jan. 9 meeting whether to formally ask the California Public Utilities Commission for help, he said.

Ebenkamp said he attended public hearings on the new electrical towers being installed throughout the San Gabriel Valley and Inland Empire. But the new pole just installed is not part of the renewable energy project - it is part of regular electrical transmission operations. And many residents didn't realize how tall and how much of a visual impact the poles make on their bedroom community.

"We would like them to move them (the two poles in the park) say, 100 yards east or west," Ebenkamp said.

"The biggest thing is their height. These towers Edison is putting up are huge. I don't think anyone could imagine how high these things are," said Beth Hojnacke, president of the RHCC.

The RHCC wants to see if something can be done about the electrical towers before the county breaks ground on the new center.

"People will have to drive right by them to get to the community center," Ebenkamp said.

Hagman said their requests are reasonable.

"Those options need to be explored before the building is built," Hagman said.

Edison is stringing new transmission lines and towers to bring renewable wind power from Kern County into the area. It is part of a mandate from the state of California to generate a greater percentage of green energy. The Tehachapi project is supposed to be completed by 2015, but has run into political troubles.

In October, the CPUC ordered Edison to stop construction of the towers because they didn't have appropriate warning lights. This was a violation of the Federal Aviation Administration. Edison has also been ordered to propose alternative routes and locations for some lines and towers relating to the Tehachapi project. Edison must present testimony on alternative routes and plans at the CPUC meeting on Jan. 10.

In an interview Monday, Hagman said the Assembly Committee on Utilities and Commerce will hold hearings on the electrical towers issue in January in Sacramento. Also, Reps. Gary Miller, R-Brea, and Ed Royce, R-Orange, have joined the anti-towers bandwagon. They are calling for a congressional hearing on the topic.

Hagman said easements for electrical towers negotiated 100 years ago no longer fit today's residential patterns. "The process is flawed," he said.

Aside from residents of Chino Hills, where Hagman served on the City Council before being elected to the Assembly, he's also heard complaints about the new electrical towers being too close to homes or parks in Duarte, Chino and from hillside residents of Rowland Heights.

Miller and Royce have said the towers can lower property values. Royce said in November "because of the impact on home values, this is equivalent to a government taking of private property."

Hagman, Royce and Miller are calling for the lines to be placed under ground, or instead of through neighborhoods in Chino Hills, be routed through uninhabited Chino Hills State Park.

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City Council, Open Space appear to have settled in Whittier oil lawsuit

By Mike Sprague, Staff Writer

Posted: 12/27/2011 05:31:10 PM PST



Whittier City Council members, from left, Greg Nordbak, Joe Vinatieri, Mayor Pro Tem Owen Newcomer, Mayor Cathy Warner and Bob Henderson vote unanimously Monday to approve the Whittier Hills oil-drilling project EIR and conditional use permit. (Leo Jarzomb Staff Photographer)

WHITTIER - The anti-drilling Open Space Legal Defense Fund apparently has reached a settlement with the city in regard to the \$11,375 in attorney fees the group owes the city for the part of its lawsuit that targeted individual council members.

Attorneys for both sides last week filed a notice of settlement with the state Court of Appeal.

However, Jeff Collier, chief assistant city manager, in an e-mail stated the settlement hadn't been finalized.

"In fact, once the agreement is signed we'll issue a joint press release - so, we won't be making any comments beyond that," Collier stated.

Geralyn Skapik, attorney for Open Space, didn't return two phone calls Monday.

The Open Space fund had appealed Los Angeles Superior Court Judge Ann I. Jones' ruling the city is entitled to attorneys fees because she had dismissed the part of the Open Space lawsuit targeting individual City Council members.

Jones called it a SLAPP - a strategic lawsuit against public participation.

The other portions of the lawsuit challenging the city's right to allow oil drilling in the Whittier hills since the property was bought with money from Proposition A, a 1992 Los Angeles County parcel tax, remain ongoing.

The City Council on Nov. 28 approved an environmental impact report and conditional use permit allowing oil drilling.

The pending settlement comes as the deadline nears for anyone seeking to sue the city and challenge the environmental impact report allowing Matrix Oil Co. to drill for oil.

The City Council on a 5-0 vote Nov. 28 approved the report and a conditional use permit.

Open Space is expected to sue and on Dec. 16 unsuccessfully sought to amend its existing lawsuit to include a suit challenging the EIR.

But Jones turned it down, saying it must file a separate action.

However, the Open Space papers included the expected EIR lawsuit that is expected to be filed today.

It took up 45 of the 77 pages of the amended lawsuit, attorneys for Open Space asked to file.

The potential lawsuit includes a number of challenges to the report, including that its description of the environmental setting is inadequate. It also says the report:

Understates project emissions,

Doesn't show that odor mitigations will work,

Understates the effect of greenhouse gas,

Doesn't identify all significant effects on animals and plant life in the hills,

Fails to address potential risks of pipeline failure,

Doesn't do a good job of analyzing drainage issues,

Fails to address noise impacts,

Doesn't identify the proposal to modify and temporarily close the Loop Trail as a significant effect,

Collier said he believes the environmental impact report prepared by Marine Research Specialists of Ventura did a good job of analyzing the oil project.

"We believe (the report) adequately covered all items and all issues and (the city) allowed them to be aired," Collier said.

"We looked at it very closely and responded to each of the comments," he said. "We hired one of the premiere environmental firms with expertise in oil production as well."

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Meet Jeff Collier, Whittier's new city manager

By Mike Sprague Staff Writer

Posted: 12/26/2011 06:04:01 AM PST



The new Whittier city manager Jeff Collier is pictured at city hall Dec. 20, 2011. (SGVN/Staff photo Leo Jarzomb/SWCITY)

WHITTIER - When Jeff Collier takes over as city manager on Monday, his new job comes as the culmination of 32 years working for five cities, including Whittier, in a number of positions.

In those years, Collier, 53, dealt with issues ranging from the closure of the BKK Landfill in West Covina to developing what he called "green fields" in Chino Hills to helping prepare plans for the Uptown area and Whittier Boulevard.

"His planning and redevelopment experience is important," outgoing Whittier City Manager Steve Helvey said. "You see somebody who has worked in other places and has experience in public works. He has a very unique set of skills educationally and vocationally in terms of what he's been through."

Collier also is a good "people person," said Whittier Planning Commissioner R.D. McDonnell.

"He's very conscientious and wants to do what's best for the community," McDonnell said. "He's a very warm sensitive caring person. When you're sitting having a conversation you really get the sense he's listening."

Before coming to Whittier as director of community development, Collier worked for the cities of Chino Hills, Claremont, Glendora and West Covina.

Collier said the challenges in those cities aren't that much different than those in Whittier.

"They all require you to roll up your sleeves and get in the issues and reach a compromise or resolution that works for the majority of folks," he said.

Collier said he didn't make most of his moves for money or title but rather for experience or responsibility.

"(And) it had to be the right fit," he said. "I wanted the right type of community I would feel comfortable living there."

And as of October, he's now a Whittier resident.

"I would want to live in any community where I was the city manager," Collier said. "It's an important statement to the community. It's also important to be vested in the community as a resident."

But if you go back 32 years, Collier didn't even plan on a career in urban planning.

Instead, he wanted to be an architect but a clerical error at Cal Poly Pomona didn't allow him to go into the program, leaving a choice of civil engineering or urban planning.

He chose the latter but when offered the chance to go into the architectural program, he turned it down.

"I said, 'No thanks. I enjoy this much more than architecture,'" Collier said.

Collier found that urban planning had a diversity of issues and he discovered he really liked it.

"Not only were you dealing with buildings and architecture but also dealing with engineers and infrastructure, transportation legality and land use issues," he said. "You were dealing with the public a lot more than you would as an architect."

When Collier graduated in 1982, he already had served three internships - two in Glendora and one in Claremont and had a full-time job awaiting for him as a planning aide in Glendora.

He was hired in 1983 as a planning assistant in West Covina where he would spend the next 16 1/2 years in seven different positions, including interim assistant city manager and public services director where he was in charge of public works.

His most controversial project was dealing with the closure of BKK.

"I was one of the people sitting at the table negotiating the settlement agreement with BKK," he recalled.

During that time, he would travel to Sacramento and testify before the Integrated Waste Management Board.

It also helped prepare him to deal with the oil-drilling issue in Whittier.

"When you're going into a litigation process ... there's a lot of work and effort in preparing the record and for the court process," he said.

Collier left West Covina in 2000 for Chino Hills.

"There was no opportunity for growth in West Covina," he said.

"I saw Chino Hills as an opportunity to go into essentially what was a green field area where you have all of this vacant land for development," Collier said. "We did some wonderful new shopping centers and we were building 500 to 600 housing units a year."

However, eventually he could see that development was going to slow down as vacant land was gobbled up.

Whittier offered Collier the chance to get redevelopment experience, something he never had.

"I knew if I wanted to move up and be an assistant city manager having that redevelopment experience would make me more marketable," he said.

At that point he still didn't know if he wanted to be a city manager where you have to deal with the political issues.

"(But) if I was ever to want to do it, this is the community," he said. "We have a wonderful community. We have a council that works very hard together. They don't always agree but the way they work together is important."

When Helvey decided it was time retire, Collier got the job.

The council named Collier as the successor in June, giving him a \$198,500 annual salary and a \$700 monthly car allowance.

Mayor Cathy Warner said she likes what Collier brings to the job.

"We felt he brought the appropriate skill set that Whittier is in need of," she said.

"He's been in public administration for many years," Warner said. "His community development background is a perfect fit for ongoing programs with oil and Nelles projects."

Collier said he's ready to face the challenges and opportunities in Whittier.

"The biggest challenge obviously is the budget and how we work through it over the next few years," he said.

He's most concerned about whether the state can come in and take more city money.

"We're a personnel-rich environment," Collier said. "We can't cut more paper clips. We have to continue to provide the services whether the economy is up or down."

Collier is married to Colleen and they have three adult children, Adam, Lisa and Kevin and two grandchildren.

He also plans to leave some time for his hobbies of working on classic cars and photography.

It doesn't hurt that he saved an hour and a half in commute time by moving to Whittier.

"I still find time to get out and tinker. It doesn't have to be a long time but it's a diversion for a while."

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