

**METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**MINUTES**

**FINANCE AND INSURANCE COMMITTEE**

**January 9, 2012**

Chair Grunfeld called the meeting to order at 8:35 a.m. in Committee Room 2-145 at Metropolitan's Headquarters.

Members present: Chair Grunfeld, Vice Chair Blake, Directors De Jesus, Grandsen, Hawkins, Heidel, Lewinger, Little, and Wunderlich.

Members absent: Directors Barbre and Evans.

Other Board Members present: Directors Ackerman, Brick, Brown, Dick, Edwards, Friedman, Griset, Morris, J. Murray, Peterson, Record, Steiner, Wilson, and Wright.

Staff present: Bennion, Breaux, Brooks, Coffey, DeBacker, Dunn, Goldstein, J. Gonzales, J. Green, Ivey, Kightlinger, Man, Marumoto, Norris, Odwak, Philp, Riss, Scully, Skillman, Soper, Sotoodeh, Stites, Upadhyay, Waade, and E. Young.

**1. OPPORTUNITIES FOR MEMBERS OF THE PUBLIC TO ADDRESS THE COMMITTEE ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION**

None

**2. APPROVAL OF THE MINUTES OF THE MEETING OF THE FINANCE AND INSURANCE COMMITTEE HELD DECEMBER 12, 2011**

Approved

Moved: Little

Seconded: Hawkins

### **3. MANAGEMENT REPORTS**

- a.           Subject:           Report of investment activity  
  
              Presented by:     Treasurer Roger Marumoto

Mr. Marumoto discussed the investment portfolio for the month of December detailing the portfolio durations, and investment performance of the short-term portfolios and long-term portfolios.

The breakdown of the various categories of securities is provided each month in the Treasurer's Monthly Report.

- b.           Subject:           Financial Highlights  
  
              Presented by:     Controller Tom DeBacker

Mr. DeBacker presented the financial summary for the first six months of FY 2011/12, which ended December 31, 2011. He discussed projected FY 2011/12 receipts, expenditures, and use of reserve funds. Mr. DeBacker also provided cumulative water sales volume data, financial ratios, and cash and investments balances at December 31, 2011.

- c.           Subject:           Planned debt financings for 2012  
  
              Presented by:     Chief Financial Officer Gary Breaux

Mr. Breaux gave an overview of the variable rate debt program and capital investment plan financings for 2012 and the 2012 financing schedule.

### **4. CONSENT CALENDAR ITEMS – ACTION**

None

### **5. OTHER BOARD ITEMS – ACTION**

- 8-1       Subject:           Present proposed biennial budget, revenue requirements, and water rates and charges for fiscal years 2012/13 and 2013/14, and set a public hearing date  
  
              Presented by:     Chief Financial Officer Gary Breaux

Mr. Breaux gave an overview of the proposed 2012/13 and 2013/14 budget, which includes a lower water sales assumption, a biennial (two-year) budget and rates approval, a change to modified accrual reporting basis, and the initiation of Other Post Employment Benefits funding. Mr. Breaux also discussed the upcoming budget review schedule.

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| Motion<br>Option 1 | Adopt the CEQA determination and <ol style="list-style-type: none"><li>a. Set a public hearing for the March 2012 meeting of the Finance and Insurance Committee at which interested parties may provide input regarding Metropolitan's rates and charges to be effective January 1, 2013 and January 1, 2014; and</li><li>b. Approve the modified-accrual basis of accounting as described in the letter.</li></ol> |
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Approved Unanimously

Moved: De Jesus

Seconded: Grandsen

**6. BOARD INFORMATION ITEMS**

None

**7. COMMITTEE ITEMS**

None

**8. FOLLOW UP ITEMS**

None

**9. FUTURE AGENDA ITEMS**

None

The next meeting will be held on February 13, 2012. The meeting adjourned at 9:28 a.m.

Aaron Grunfeld  
Chair