

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

FINANCE AND INSURANCE COMMITTEE

March 11, 2013

Chair Grunfeld called the meeting to order at 9:30 a.m. in Committee Room 2-145 at Metropolitan's Headquarters.

Members present: Chair Grunfeld, Vice Chair Barbre, Directors Babcock, De Jesus, Evans, Lewinger, Little, Pringle, Touhey, Vasquez, and Wilson.

Member absent: Director Wunderlich.

Other Board Members present: Directors Ackerman, Brown, Edwards, Griset, Morris, Mudd, Peterson, Record, Steiner, and Wright.

Staff present: H. Beatty, Bennion, Breaux, Brooks, Clairday, Coffey, DeBacker, Goldstein, J. Gonzales, J. Green, Kightlinger, Man, Marumoto, Norris, Riss, Scully, Skillman, Soper, Sotoodeh, Upadhyay, and Young.

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

No members responded.

2. APPROVAL OF THE MINUTES OF THE MEETING OF THE FINANCE AND INSURANCE COMMITTEE HELD FEBRUARY 11, 2013

Motion Carried Moved: Director Little Seconded: Director Lewinger

Votes: Unanimous

3. MANAGEMENT REPORTS

a. Subject: Report on investment activity

Presented by: Treasurer Roger Marumoto

Mr. Marumoto presented the investment portfolio for the month of February detailing the portfolio durations and investment performance of both short-term and long-term portfolios.

b. Subject: Financial highlights

Presented by: Chief Financial Officer Gary Breaux

Mr. Breaux discussed the cumulative water sales, fiscal year revenues, and fiscal year expenditures.

Director Lewinger requested a detailed analysis of the minimum/maximum reserve levels showing the major drivers that caused the shift from the projections in the budget to the actuals. He also requested a projection through 2017 on the reserves.

Chair Grunfeld advised that this will be discussed at the April meeting, including the report on swaps.

Mr. Breaux advised that Controller Tom DeBacker will be giving the 3rd Quarter Report update in April, which will also project to the end of the year.

Mr. Breaux discussed the impact to Metropolitan of the federal government deficit reduction compromise which went into effect March 1, 2013. The budget cuts will reduce Metropolitan's interest subsidy from the federal government for Build America Bonds. Staff responded to various questions of the committee regarding the financial impact of the reduced payments.

4. CONSENT CALENDAR ITEMS — ACTION

None

5. OTHER BOARD ITEMS — ACTION

None

6. BOARD INFORMATION ITEM

None

7. COMMITTEE ITEMS

None

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

Staff will review Metropolitan's swap policy and quarterly swap report with the committee at the April 2013 meeting.

The next meeting will be held on April 8, 2013.

Meeting adjourned at 9:57 a.m.

Aaron Grunfeld
Chair