

**METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**MINUTES**

**ADJOURNED FINANCE AND INSURANCE COMMITTEE**

**November 18, 2013**

Chair Grunfeld called the meeting to order at 9:00 a.m. in Committee Room 2-145 at Metropolitan's Headquarters.

Members present: Chair Grunfeld, Vice Chair Barbre, Directors Apodaca, Babcock, Dear, De Jesus, Evans, Kurtz, Lewinger, Pringle, Touhey, and Wunderlich.

Member absent: Directors Vasquez.

Other Board Members present: Directors Brown, Camacho, Dick, Edwards, Hogan, Lefevre, Morris, J. Murray, Peterson, Record, and Steiner.

Staff present: Bennion, Breaux, Clairday, Coffey, DeBacker, Goldstein, J. Gonzales, J. Green, Kightlinger, Man, Mares, Marumoto, Odwak, Patterson, Pellegrini, Philp, Riss, Scully, Skillman, Soper, Stites, Upadhyay, and Westford.

**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 OCTOBER 7, 2013**

Motion Carried      Moved: Director Pringle      Seconded: Director Dear

Votes: Unanimous

**3. MANAGEMENT REPORTS**

a.            Subject:            Report on investment activity

Presented by:      Treasurer Roger Marumoto

Mr. Marumoto highlighted sections from the Third Quarter 2013 Investment Review report prepared by Disabato Advisors. The report is available on Metropolitan's website.

Mr. Marumoto reported on the investment portfolio for the month of October 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  
  Section Manager June Skillman  
  Assistant Controller Hal Soper

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

Ms. Skillman gave an overview of the FY2014/15 and FY2015/16 biennial budget and rates process and discussed the schedule and timeline.

In follow up to a question raised at the Audit and Ethics Committee regarding the amount and cost of water held in inventory by Metropolitan, Mr. Soper discussed how Metropolitan reconciles the Water Surplus and Drought Management Plan (WSDM) report, prepared by Water Resource Management, to our financial statements. Mr. Soper explained that the primary difference between the WSDM report and the financial statements is that the WSDM report contains water that Metropolitan has access to through various sources plus the water held in inventory that is reported in the financial statements.

Several questions and comments were raised by directors and staff responded.

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

None

#### **5. OTHER BOARD ITEMS — ACTION**

None

#### **6. BOARD INFORMATION ITEMS**

None

#### **7. COMMITTEE ITEMS**

None

## **8. FOLLOW-UP ITEMS**

None

## **9. FUTURE AGENDA ITEMS**

Chair Grunfeld advised that next month there will be an action letter to authorize the execution and distribution of Remarketing Statements in connection with the remarketing of Water Revenue Refunding Bonds.

Metropolitan received a letter from Richard Hansen, Three Valleys MWD, dated October 23, 2013, addressed to Jeff Kightlinger regarding 2014 rates. The letter was received and filed as part of the minutes, and a copy was distributed to the committee.

The next meeting will be held on December 9, 2013.

Meeting adjourned at 9:50 a.m.

Aaron Grunfeld  
Chair