

3. CONSENT CALENDAR ITEMS – ACTION

None

Committee Chair Barbre announced that there would be a reordering of the meeting agenda. Items 6a and 6b would be heard first with Other Board Items following.

6. COMMITTEE ITEMS

- a. Subject: Oral report on investment activities
- Presented by: Treasurer Roger Marumoto

Director Kurtz entered the meeting at 8:34 a.m.

Mr. Marumoto reported on the investment portfolio for the month of October detailing investment performance of both short-term and long-term portfolios.

- b. Subject: Investment Consultant Presentation on investment manager performance
- Presented by: Ted Disabato, Managing Director, Disabato Advisers, LLC

Metropolitan's independent investment consultant, Ted Disabato of Disabato Advisers, made a presentation on the background, performance, and relative qualities of the external portfolio managers. Mr. Disabato's presentation discussed the performance of Metropolitan's external portfolio managers and addressed prior questions from the Directors regarding retention of the external managers. Mr. Disabato answered a number of questions from directors and the consensus of the committee was to retain the external managers.

4. OTHER BOARD ITEMS – ACTION

- 8-1 Subject: Approve the proposed terms for Purchase Orders with Member Agencies; authorize the General Manager to execute Purchase Orders with Member Agencies consistent with the proposed terms; and approve the Proposed Amendments to the Administrative Code
- Presented by: Section Manager June Skillman

- Motion: Adopt the CEQA determination that the proposed project is not defined as a project and is not subject to CEQA, and
- a. Approve the draft Official Statement and draft Remarketing Statements (Attachments 1, 2, 3 and 4) substantially in the form attached to the board letter;
 - b. Authorize the General Manager to finalize, with changes approved by the General Manager and General Counsel, and execute the Official Statement and Remarketing Statements; and
 - c. Authorize distribution of the Official Statement and Remarketing Statements in connection with remarketing and marketing of the related Bonds.

Moved: Director Dear Seconded: Director Kurtz

Ayes: Directors Apodaca, Barbre, Blois, Dake, De Jesus, Dear, Evans, Kurtz, McKenney, Touhey, and Wunderlich

Noes: Director Lewinger

Abstentions: None

Absent: None

The motion passed by a vote of 11 ayes, 1 no, 0 abstain, and 0 absent.

Chair Barbre advised that letters were received regarding Item 8-2 from MWDOC (supporting) and SDCWA (opposing) and distributed to each committee member.

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

- c. Subject: Discussion of balancing accounts

Presented by: Chief Financial Officer Gary Breaux

Mr. Breaux discussed the flow of funds and board-designated funds, use of reserves over target, FY 2013/14 fund designations approved by the Board, and staff's recommendation.

Chair Barbre advised that a letter was received regarding Item 6c from SDCWA and distributed to each committee member.

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

Director Lewinger requested a further presentation by staff on this issue. Following a discussion by the committee, Chair Barbre stated that no further discussion of this matter was necessary.

7. MANAGEMENT REPORT

- a. Subject: Chief Financial Officer's Report
- Presented by: Chief Financial Officer Gary Breaux

Mr. Breaux discussed the cumulative water sales for the fiscal year through the month of October.

8. FOLLOW-UP ITEMS

None

Director Touhey withdrew from the meeting at 9:48 a.m.

9. FUTURE AGENDA ITEMS

None

Next meeting will be held on December 8, 2014.

Meeting adjourned at 9:49 a.m.

Brett R. Barbre
Chair