

The motion passed by a vote of 10 ayes, 0 no, 0 abstain, and 4 absent.

3. CONSENT CALENDAR ITEMS – ACTION

None

Director Dear entered the meeting at 9:03 a.m.

4. OTHER BOARD ITEMS – ACTION

8-1 Subject: Adopt resolutions fixing and adopting a Readiness-to-Serve Charge and a Capacity Charge for calendar year 2016

Presented by: None

Motion: Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and
 a. Adopt resolution to fix and adopt a Readiness-to-Serve Charge; and
 b. Adopt resolution to fix and adopt a Capacity Charge.

Moved: Director Touhey Seconded: Director McKenney

Ayes: Directors Apodaca, Barbre, Blois, Dake, Dear, Evans, McKenney, Ramos, Touhey, and Wunderlich

Noes: Director Lewinger

Abstentions: None

Absent: Directors De Jesus, Kurtz, and Lowenthal

Chief Financial Officer Breaux advised that the Readiness-to-Serve Charge is estimated to be \$155,500,000 for fiscal year 2015/16, and will be corrected on Page 10 of Attachment 1 to the board letter.

Director Lewinger made the following statement: "I'll be voting no on this and this does involve the litigation. We believe that the current cost allocation and rates have already been determined to violate common law, Government Code Section 54997(a), the wheeling statute and Proposition 26; that's the judge's opinion and so we will be voting no on this item."

The motion passed by a vote of 10 ayes, 1 no, 0 abstain, and 3 absent.

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

- a. Subject: Oral report on investment activities

Presented by: Treasurer Roger Marumoto

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

Mr. Marumoto reported that the two AT&T securities held in the Long-Term portfolio that were downgraded by Moody's and Standard and Poor's were sold in March for a small gain of \$14,200, an approximate book value of \$2.2 million.

- b. Subject: Quarterly financial review

Presented by: Controller Hal Soper

Director Kurtz entered the meeting at 9:08 a.m.

Mr. Soper reviewed the financial highlights as of March 31, 2015. He discussed the revenues and expenses, cumulative water sales, water management fund, and impact on the water rate stabilization fund with projections to June 30, 2015.

7. MANAGEMENT REPORT

- a. Subject: Chief Financial Officer's Report

Presented by: Chief Financial Officer Gary Breaux

Mr. Breaux advised that he is going to New York to meet w/investors. As we approach the end of the first year of the two-year budget, although Metropolitan currently has more cash and reserves, during the next fiscal year Metropolitan will be drawing down storage due to the drought and the new statewide mandatory water reductions called for by the governor may result in reduced water sales next year.

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

None

Next meeting will be held on May 11, 2015.

Meeting adjourned at 9:17 a.m.

Brett R. Barbre
Chair