THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

FINANCE AND INSURANCE COMMITTEE

October 12, 2015

Chair Barbre called the meeting to order at 9:00 a.m. in Committee Room 2-456 at Metropolitan's Headquarters.

Members present: Chair Barbre, Vice Chair Wunderlich, Directors Apodaca, Blois, Dake, De Jesus, Dear, Faessel, Kurtz, Lewinger (entered at 9:06 a.m.), McKenney (entered at 9:06 a.m.), and Touhey.

Members absent: Directors Lowenthal, Martinez, and Ramos.

Other Board members present: Board Chairman Record, Directors Ackerman, Atwater, Beard, Dick, Hogan, Lefevre, Morris, Murray, Peterson, Steiner, Tu, and Vasquez.

Staff present: Beatty, Breaux, Brooks, Clairday, Coffey, Dunn, Goldstein, J. Gonzales, J. Green, Hasencamp, Kightlinger, Man, Mares, Marumoto, Odwak, Otake, Patterson, Pitman, Quilizapa, Rohen, Scully, Skillman, Sims, Soper, Upadhyay, and Zinke.

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 FINANCE AND INSURANCE COMMITTEE MEETING HELD SEPTEMBER 21, 2015.

Motion:	Carried		
Moved:	Director Touhey	Seconded:	Director Apodaca
Ayes:	Directors Apodaca, Barbre, Blois, Dake, De Jesus, Dear, Faessel, Kurtz, Touhey, and Wunderlich		
Noes:	None		
Abstentions:	None		
Absent:	Directors Lewinger, Lowenthal, Martinez, McKenney, and Ramos		

The motion passed by a vote of 10 ayes, 0 no, 0 abstain, and 5 absent.

3. CONSENT CALENDAR ITEMS – ACTION

None

4. OTHER BOARD ITEMS – ACTION

8-1	Subject:	Adopt Ordinance No. 149 determining that the interests of Metropolitan require the use of Revenue Bonds in the aggregate principal amount of $500 million
	Presented by:	Principal Administrative Analyst Eric Goldstein
	Motion:	Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and adopt Ordinance No. 149 determining that the interests of Metropolitan require the use of revenue bonds in the aggregate principal amount of $500 million to fund a portion of CIP expenditures.
	Moved:	Director Touhey Seconded: Director Apodaca
	Ayes:	Directors Apodaca, Barbre, Blois, Dake, DeJesus, Dear, Faessel, Kurtz, Touhey, and Wunderlich
	Noes:	None
	Abstentions:	None
	Absent:	Directors Lewinger, Lowenthal, Martinez, McKenney, and Ramos

The motion passed by a vote of 10 ayes, 0 no, 0 abstain, and 5 absent.

Chair Barbre advised that a letter from SDCWA dated October 10, 2015 was received in opposition to Item 8-1. The letter was distributed to the committee and copies are on file in the Office of the CFO.

Director Lewinger entered the meeting at 9:06 a.m.

Director McKenney entered the meeting at 9:06 a.m.

8-2	Subject:	Approve and authorize the execution and distribution of Remarketing Statements in connection with the remarketing of the Water Revenue Refunding Bonds, 2011 Series A1 and A3 and 2009

Series A2

Presented by: Pr. Admin Analyst Eric Goldstein and Deputy GC Patrick Rohen

Motion Option #2: Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and

a. Approve the draft Remarketing Statements substantially in the form attached to the board letter, as modified by the Board;
b. Authorize the General Manager to finalize, with changes approved by the General Manager and General Counsel, and execute the Remarketing Statements, and
c. Authorize distribution of the Remarketing Statements in connection with remarketing of the related Bonds.

Moved:	Director Apodaca Seconded: Director McKenney
Ayes:	Directors Apodaca, Barbre, Blois, Dake, DeJesus, Dear, Faessel, Kurtz, McKenney, Touhey, and Wunderlich
Noes:	Director Lewinger
Abstentions:	None
Absent:	Directors Lowenthal, Martinez, and Ramos

The motion passed by a vote of 11 ayes, 1 no, 0 abstain, and 3 absent.

Chair Barbre advised that a letter from MWDOC dated October 8, 2015 was received in support of Item 8-2, and a letter from SDCWA dated October 12, 2015 was received in opposition to Item 8-2. The letters were distributed to the committee and copies are on file in the Office of the CFO.

5. BOARD INFORMATION ITEMS

9-1 Subject: Compliance with Fund Requirement and Bond Indenture Provisions

Presented by: 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 September detailing investment performance of both short-term and long-term portfolios.

b. Subject: Quarterly Financial Review

Presented by: Controller Hal Soper

Mr. Soper presented the financial highlights for FY 2014/15. He discussed the revenues and expenses, unrestricted reserves, capital assets and SWC costs, long-term debt, pension & OPEB funded ratio, and the year-end adjustments.

Mr. Soper also presented the financial highlights for the first quarter ending September 30, 2015. He discussed the cumulative water sales, revenues and expenses, and the unrestricted reserve balance projected to the end of fiscal year 2015-2016.

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

7. MANAGEMENT REPORT

a. Subject: Chief Financial Officer's Report

Presented by: Presented under Item 6b.

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

Director Dake requested discussion on additional funding for conservation devices.

Next meeting will be held on November 9, 2015.

Meeting adjourned at 10:00 a.m.

Brett R. Barbre
Chair