

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

FINANCE AND INSURANCE COMMITTEE/BUDGET AND RATES WORKSHOP #2

February 23, 2016

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

Members present: Chair Barbre, Vice Chair Wunderlich, Directors Blois, Dake, Dear, De Jesus, Faessel, Kurtz (entered at 9:19 a.m.), Lewinger (entered at 9:04 a.m.), McKenney, Paskett (entered at 9:16 a.m.), and Ramos (entered at 9:16 a.m.).

Members absent: Directors Apodaca, Martinez and Touhey.

Other Board Members present: Board Chairman Record, Directors Atwater, Beard, Dick, Galleano, Gray, Hogan, Morris, Murray, Steiner, and Tu.

Staff present: Beatty, Bowman, Breaux, Coffey, Mares, Green, Kightlinger, Kostopoulos, Man, Pitman, Riss, Scully, Skillman, Soper, and Upadhyay.

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

No members responded.

2. CONSENT CALENDAR ITEMS - ACTION

None

3. OTHER BOARD ITEMS - ACTION

None

4. BOARD INFORMATION ITEMS

None

Director Lewinger entered the meeting at 9:04 a.m.

5. COMMITTEE ITEMS

None

6. MANAGEMENT REPORT

None

7. BUDGET AND RATES WORKSHOP #2

Chair Barbre stated that item 7b, Capital Investment Plan, would be postponed until Workshop #3.

During the discussions in item 7c, Directors Ramos and Paskett entered the meeting at 9:16 a.m. and Director Kurtz entered the meeting at 9:19 a.m.

c. Subject: Follow-up on questions from Workshop #1

Presented by: June Skillman, Manager of Budget and Rates; and
Devendra Upadhyay, Water Resource Management Group
Manager

Ms. Skillman and Mr. Upadhyay gave a presentation regarding the questions received from Workshop #1.

a. Subject: Estimated rates and charges for calendar years 2017 and 2018 to meet revenue requirements

Presented by: Stathis Kostopoulos, Senior Resource Specialist and
Rick Giardina of Raftelis Financial Consultants, Inc.

Mr. Kostopoulos presented an overview of rates and charges to meet the estimated revenue requirements for fiscal years 2016/17 and 2017/18.

Mr. Giardina presented a cost recovery mechanism for treatment costs and consideration of moving away from a 100 percent volumetric recovery methodology.

Members of the committee and Board members had several questions.

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

None

Next meeting will be held on March 8, 2016.

Meeting adjourned at 11:26 a.m.

Brett R. Barbre
Chair