



F&I Committee

- B. Barbre, Chair
- R. Wunderlich, V. Chair
- R. Apodaca
- S. Blois
- G. Dake
- D. Dear
- D. De Jesus
- S. Faessel
- C. Kurtz
- K. Lewinger
- M. Martinez
- L. McKenney
- L. Paskett
- M. Ramos
- M. Touhey

**Finance and Insurance
Committee**

Meeting with Board of Directors*

April 11, 2016

9:00 a.m. -- Room 2-145

| Monday, April 11, 2016 Meeting Schedule | | |
|--|-----------|-------------------------|
| 7:00-8:00 a.m. | Rm. 1-101 | Dirs. Computer Training |
| 9:00 a.m. | Rm. 2-145 | F&I |
| 10:00 a.m. | Rm. 2-456 | WP&S |
| 12:30 p.m. | Rm. 2-145 | E&O |
| 1:30 p.m. | Rm. 2-456 | C&L |

MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012

* The Metropolitan Water District's Finance and Insurance Committee meeting is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to the Finance and Insurance Committee may attend and participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to the Finance and Insurance Committee will not vote on matters before the Finance and Insurance Committee.

1. **Opportunity for members of the public to address the committee on matters within the committee's jurisdiction** (As required by Gov. Code Section 54954.3(a))

2. **Approval of the Minutes of the meetings of the Finance and Insurance Committee held March 7 and 22, 2016**

3. **CONSENT CALENDAR ITEMS — ACTION**

None

4. **OTHER BOARD ITEMS — ACTION**
 - 8-1 Approve proposed biennial budget for fiscal years 2016/17 and 2017/18, proposed ten-year forecast, proposed revenue requirements for fiscal years 2016/17 and 2017/18, and recommended water rates and charges to be effective on January 1, 2017 and January 1, 2018; adopt resolutions fixing and adopting water rates and charges for 2017 and 2018; and adopt the resolution finding that continuing an ad valorem tax rate at the rate levied for fiscal year 2015/16 is essential to Metropolitan's fiscal integrity. (F&I)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA and is not subject to CEQA, and

- a. Approve the FY 2016/17 and FY 2017/18 biennial budget;**
- b. Appropriate \$2,431.4 million for Metropolitan O&M and operating equipment, power costs on the Colorado River Aqueduct, SWP operations, maintenance, power and replacement costs and SWP capital charges; demand management programs including the local resources and conservation credits program; and costs associated with supply programs;**
- c. Appropriate as a continuing appropriation, \$672.6 million for FY 2016/17 and FY 2017/18 debt service on Metropolitan general obligation and revenue bonds;**
- d. Authorize the use of \$240 million in operating revenues to fund the Capital Investment Plan;**
- e. Determine that the revenue requirements to be paid from rates and charges are \$1,575.0 million in FY 2016/17 and \$1,574.3 million in FY 2017/18;**
- f. Approve water rates effective January 1, 2017, and January 1, 2018, as shown in Table 3, Option #1a above;**
- g. Adopt the Resolution Fixing and Adopting Water Rates To Be Effective January 1, 2017 and 2018, in the form of [Attachment 4](#), using the rates shown in Section 1, Option #1a in the Resolution;**
- h. Adopt the Resolution Fixing and Adopting A Readiness-To-Serve Charge Effective January 1, 2017, in the form of [Attachment 5](#), using the charge shown in Section 6 of the Resolution;**
- i. Adopt the Resolution Fixing and Adopting A Capacity Charge Effective January 1, 2017, in the form of [Attachment 6](#), using the charge shown in Section 6 of the Resolution;**
- j. Adopt the Resolution Fixing and Adopting A Treated Water Charge Effective January 1, 2017, in the form of [Attachment 7](#), using the charge shown under Option #1a in Section 6 of the Resolution;**
- k. Approve the Ten-Year Financial Forecast, as shown in the Proposed Biennial Budget FY 2016/17 and FY 2017/18 in [Attachment 1](#);**
- l. Adopt the Resolution Finding that Continuing an Ad Valorem Property Tax Rate at the Rate Levied for FY 2015/16 is Essential to the Fiscal Integrity of the District and Suspending the Ad Valorem Tax Rate Restriction for FY 2016/17 and FY 2017/18, in the form of [Attachment 8](#);**
- m. Authorize establishment and use of the Exchange Agreement Set-Aside Fund as set forth in this letter; and**
- n. Authorize use of unspent conservation funding, including extension of the Onsite Recycled Water Retrofit Program through the biennial budget period, as set forth in this letter.**

- 8-8** Authorize the General Manager to enter into the Extension of Service Area Agreement with the Eastern Municipal Water District and Pechanga Band of Luiseño Mission Indians; and adopt final resolution extending the service area for the 106th Fringe Area to Eastern Municipal Water District and Metropolitan. (F&I)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is categorically exempt, and

- a. Authorize the General Manager to enter into the Extension of Service Area Agreement with Eastern Municipal Water District and Pechanga Band of Luiseño Mission Indians; and**
- b. Adopt the resolution granting approval for the 106th Fringe Area annexation concurrently to Eastern and Metropolitan and establish Metropolitan's terms and conditions for the extension of service area agreement, conditioned upon approval by Riverside County's Local Agency Formation Commission, and upon receipt of fees of \$2,896,442.**

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

- a. Oral report on investment activities
- b. Quarterly Financial Report

7. MANAGEMENT REPORT

- a. Chief Financial Officer's report

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

NOTE: At the discretion of the committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the committee.

This committee reviews items and makes a recommendation for final action to the full Board of Directors. Final action will be taken by the Board of Directors. Agendas for the meeting of the Board of Directors may be obtained from the Board Executive Secretary. This committee will not take any final action that is binding on the Board, even when a quorum of the Board is present.

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site <http://www.mwdh2o.com>.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.