

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**MINUTES**

**FINANCE AND INSURANCE COMMITTEE/BUDGET AND RATES WORKSHOP #3**

**MARCH 7, 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 (entered at 9:06 a.m.), Dear, De Jesus, Faessel, Lewinger (entered at 9:04 a.m.), Paskett, McKenney, Ramos, and Touhey (entered at 9:28 a.m.).

Members absent: Directors Apodaca, Kurtz, and Martinez.

Other Board Members present: Board Chair Record, Directors Abdo, Ackerman, Atwater, Beard, Dick, Hogan, Galleano, Lefevre, Morris, Murray, Peterson, Steiner, and Tu.

Staff present: Beatty, Bowman, Breaux, Coffey, Goldstein, Green, Kightlinger, Man, Mares, Marumoto, Johnson, Scully, Skillman, Soper, Tellers, Upadhyay, and Zinke.

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

Chair Barbre acknowledged a member of the public wishing to speak on item 9-2, and stated that the opportunity to speak would occur before item 9-2.

**2. APPROVAL OF THE MINUTES OF THE FINANCE AND INSURANCE COMMITTEE MEETING/BUDGET AND RATES WORKSHOP #1 HELD ON FEBRUARY 8, 2016**

Motion: Carried

Moved: Director Faessel                      Seconded: Director Dear

Ayes: Chair Barbre, Vice Chair Wunderlich, Directors Blois, Dear, De Jesus, Faessel, McKenney, Paskett, and Ramos.

Noes: None

Abstentions: None

Absent: Directors Apodaca, Dake, Kurtz, Lewinger, Martinez, and Touhey.

The motion passed by a vote of 9 ayes, 0 noes, 0 abstain, and 6 absent.

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

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

**3. CONSENT CALENDAR ITEMS - ACTION**

None

**4. OTHER BOARD ITEMS - ACTION**

- Item 8-1**    Subject:                Adopt Master Subordinate Resolution authorizing the issuance of subordinate water revenue bonds and other forms of indebtedness; and adopt the First Supplemental Subordinate Resolution to the Master Subordinate Resolution authorizing the issuance of subordinate water revenue refunding bonds
- Presented by:            Eric Goldstein, Principal Administrative Analyst
- Motion:                    Adopt the CEQA determination that proposed action is not defined as a project and is not subject to CEQA, and
- a.    Adopt the Master Subordinate Resolution authorizing the issuance of subordinate water revenue bonds to finance any legal purpose of the District and providing the terms and conditions for the issuance of said bonds, as contained in Attachment 1 to the board letter; and
  - b.    Adopt the First Supplemental Subordinate Resolution to the Master Subordinate Resolution authorizing the issuance of subordinate water revenue refunding bonds, providing the terms and conditions of such bonds and authorizing the approval of other related documents, as contained in Attachment 2 to the board letter.

Mr. Goldstein presented Master Subordinate Resolution information, an overview of Metropolitan’s debt position, variable rate bond portfolio information, and the First Supplemental Subordinate Resolution Finance Schedule.

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

The motion passed by a vote of 10 ayes, 1 no, 0 abstain, and 4 absent.

Director Touhey entered the meeting at 9:28 a.m.

- Item 8-2**    Subject:            Adopt Short-Term Revenue Certificate Resolution authorizing the sale and issuance from time to time of up to \$400 million of short-term revenue certificates and providing for credit facilities and trust agreements
- Presented by:    Eric Goldstein, Principal Administrative Analyst
- Motion:            Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and adopt the Short-Term Certificates Resolution authorizing the sale and issuance from time to time of up to \$400 million of short-term revenue certificates and providing for credit facilities and trust agreements, as contained in Attachment 1 to the board letter.

Mr. Goldstein presented information on the Short-Term Certificate Resolution.

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

Chair Barbre declared the original motion passed by a vote of 11 ayes, 1 no, 0 abstain, and 3 absent.

## 5. BOARD INFORMATION ITEMS

**Item 9-2** Subject: Proposed revenue requirements for fiscal years 2016/17 and 2017/18 and proposed water rates and charges for calendar years 2017 and 2018 to meet revenue requirements

Presented by: June Skillman, Manager of Budget and Rates

Member of the public, Lucia McGovern, spoke regarding the City of Camarillo's concerns about the proposed water rates and charges, specifically the proposed treatment fixed charge.

Ms. Skillman gave a presentation on Ad Valorem Taxes, State Water Contract Costs, and Proposed Water Rates and Charges effective January 1, 2017 and January 1, 2018.

Director Lewinger requested that the letter from San Diego County Water Authority to Metropolitan be included in the record.

Chair Barbre acknowledged the request.

Committee members asked a series of questions regarding the 9-2 presentations.

Chair Barbre stated that items 7 and 6 would be deferred to the end of Workshop #3.

**8. BUDGET AND RATES WORKSHOP #3**

d. Subject: Follow-up on questions from Workshop #2

Presented by: June Skillman, Manager of Budget and Rates,  
Rick Giardina of Raftelis Financial Consultants, Inc.

Ms. Skillman gave a presentation regarding the questions received from Workshop #2.

Mr. Giardina provided an overview of the proposed treatment fixed charge.

Members of the committee and Board members had several questions.

a. Subject: Proposed biennial budget and revenue requirements for fiscal years 2016/17 and 2017/18, and ten-year forecast

Presented by: Covered under Item #5 of the agenda.

b. Subject: Proposed rates and charges for calendar years 2017 and 2018 to meet revenue requirements

Presented by: Covered under Item #5 of the agenda.

c. Subject: Proposed Capital Investment Plan

Presented by: Tobin Tellers

Due to time constraints item 8-c was not covered, but will be presented as part of Workshop #4 on March 22, 2016.

**6. COMMITTEE ITEMS**

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

Due to time constraints this item was not covered.

**7. COMMITTEE ITEMS**

- a. Subject: Chief Financial Officer's report  
Presented by: Gary Breaux, Assistant General Manager/Chief Financial Officer

Due to time constraints item was not covered.

**9. FOLLOW-UP ITEMS**

Director Steiner requested that the committee members be sent a URL of the RFC presentation by email.

Director Lewinger requested that the letter from San Diego County Water Authority to Metropolitan be included in the record.

**10. FUTURE AGENDA ITEMS**

None

Next meeting will be held on March 22, 2016.

Meeting adjourned at 11:09 a.m.

Brett R. Barbre  
Chair