

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

FINANCE AND INSURANCE COMMITTEE/BUDGET AND RATES WORKSHOP #4

MARCH 22, 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 (entered at 9:05 a.m.), Directors Blois, Dake, Dear, De Jesus (entered at 9:12 a.m.), Faessel, Kurtz, Lewinger (entered at 9:13 a.m.), McKenney, Ramos, and Touhey (entered at 9:20 a.m.).

Members absent: Directors Apodaca and Martinez.

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

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

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

None

Due to lack of a quorum Chair Barbre stated item 8, Budget and Rates Workshop #4, would be covered first.

Vice Chair Wunderlich entered the meeting at 9:05 a.m.

8. BUDGET AND RATES WORKSHOP #4

a. Subject: Proposed Capital Investment Plan – FY 2016/17 and 2017/18

Presented by: Tobin Tellers, Unit Manager IV

Director De Jesus entered the meeting at 9:12 a.m.

Director Lewinger entered the meeting at 9:13 a.m.

Director Touhey entered the meeting at 9:20 a.m.

Mr. Tellers gave a detailed presentation regarding CIP highlights, expenditure history and projections for the next five years, and the CIP budget development process.

Members of the committee and Board members had several questions.

c. Subject: Review Treated Water Fixed Charge Options

Presented by: Rick Giardina, Raftelis Financial Consultants, Inc.

Mr. Giardina provided a presentation that included alternate treatment cost recovery objectives and provided four options for a fixed charge to recover a portion of the Treatment Revenue Requirement, with and without a minimum charge.

Members of the committee and Board members had several questions.

b. Subject: Review of FY 2016/17 and 2017/18 Cost of Service and Proposed Water Rates and Charges

Presented by: June Skillman, Manager of Budget and Rates

Ms. Skillman reviewed the Biennial Budget and Water Rates and Charges process to date, and reviewed the Cost of Service report and process followed in developing the proposed water rates and charges.

d. Subject: General Follow-up from Workshop #3

Presented by: June Skillman, Manager of Budget and Rates

Ms. Skillman followed up on two questions from prior workshops: Depreciation vs. CIP and State Water Contract costs.

Members of the committee and board members had several questions.

Director Gray requested additional funding for the Community Partnering Program so that the program is able to continue for the full year.

Director Murray requested that in the future committee members receive a detailed line item budget, as they had received in years prior.

**2. APPROVAL OF THE MINUTES OF THE FINANCE AND INSURANCE
COMMITTEE MEETING/BUDGET AND RATES WORKSHOP #3 HELD ON
MARCH 7, 2016**

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

The motion passed by a vote of 11 ayes, 0 noes, 0 abstain, and 2 absent.

3. CONSENT CALENDAR ITEMS - ACTION

None

4. OTHER BOARD ITEMS – ACTION

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

None

7. COMMITTEE ITEMS

None

9. FOLLOW-UP ITEMS

None

10. FUTURE AGENDA ITEMS

None

Next meeting will be held on April 11, 2016.

Meeting adjourned at 11:13 a.m.

Brett R. Barbre
Chair