

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

FINANCE AND INSURANCE COMMITTEE

March 13, 2017

Chair Barbre called the meeting to order at 9:30 a.m. in Committee Room 2-145 at Metropolitan's Headquarters.

Members present: Chair Barbre, Vice Chair Wunderlich (entered 9:38 a.m.), Directors Blois, Dake, Dear, Kurtz (entered 9:46 a.m.), Lewinger, McKenney, Paskett, Ramos, and Saxod.
Members absent: Directors De Jesus, Faessel, and Martinez.

Other Board Members present: Board Chairman Record, Directors Ackerman, Atwater, Dick, Hogan, Lefevre, Morris, Murray, and Steiner.

Staff present: I. Aldrete, Beatty, Breaux, L. Carrillo, Coffey, D. Cole, Donhoff, Goldstein, J. Green, E. Jackson, Kirkland, Kostopoulos, Man, Mares, Marumoto, Odwak, Patterson, Philp, Pitman, Quilizapa, Riss, Scully, Skillman, Soper, Upadhyay, and E. Young.

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

Director McKenney made a comment about the fact that the oversight responsibility for Metropolitan's financial affairs, which is the subject matter of this committee, has recently become the topic of comments made to government leaders across Metropolitan's service area and letters from the San Diego County Water Authority. He observed that while within these walls there has often been differences of opinion about matters and governance of Metropolitan, in his experience, they have always been discussed here. He indicated he takes his role very seriously and is disturbed that comments are being made that this committee and board are disengaged on the topic of finances and governance of Metropolitan. Director McKenney noted that he finds these comments personally offensive and counterproductive for resolving the issues.

2. APPROVAL OF THE MINUTES OF THE FINANCE AND INSURANCE COMMITTEE MEETING HELD ON FEBRUARY 13, 2017

Motion: Carried
Moved: Director Dear Seconded: Director Lewinger
Ayes: Chair Barbre, Directors Blois, Dake, Dear, Lewinger, McKenney, Paskett, Ramos, and Saxod.

Noes: None

Abstentions: None

Absent: Vice Chair Wunderlich, Directors De Jesus, Faessel, Kurtz, and Martinez.

The motion passed by a vote of 9 ayes, 0 noes, 0 abstain, and 5 absent.

3. CONSENT CALENDAR ITEMS – ACTION

None

4. OTHER BOARD ITEMS – ACTION

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

- a. Subject: Follow up on Treatment Charge Workgroup recommendations
Presented by: Stathis Kostopoulos, Principal Resource Specialist

Mr. Kostopoulos presented the Board with a follow up on Treatment Charge Workgroup recommendations, with additional information requested at the last Finance and Insurance Committee meeting. He explained why the Treatment Capacity Charge is 16% of the treatment revenue requirement and why the May through September time period is used, compared staff's 2016 proposal versus the Workgroup's 2017 proposal, pointed out pros and cons, and provided possible alternatives for consideration.

Committee members asked questions and made comments regarding the presentation and workgroup proposal. The consensus was that the matter should be presented to the Committee and the Board for action in April.

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

Mr. Marumoto presented the Board with Metropolitan's short-term and long-term portfolio balances.

7. MANAGEMENT REPORT

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

 Mr. Breaux gave an update of water sales for the eight month period ending
 February 28, 2017.

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

None

10. ADJOURNMENT

Next meeting will be held on April 10, 2017.

Meeting adjourned at 10:28 a.m.

Brett R. Barbre
Chair