#### THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

#### **MINUTES**

#### FINANCE AND INSURANCE COMMITTEE

# **April 10, 2017**

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

Members present: Vice Chair Wunderlich, Directors Blois, Dake, Dear, Faessel, Kurtz, Lewinger, McKenney, Ramos, and Saxod. Members absent: Chair Barbre, Directors De Jesus, Martinez, Paskett, and Sinanyan.

Other Board Members present: Board Chairman Record, Directors Abdo, Ackerman, Atwater, Beard, Cordero, Dick, Hogan, Lefevre, Morris, Murray, Peterson, and Trevino.

Staff present: Beatty, Benito, Breaux, Brooks, Coffey, D. Cole, Donhoff, Goldstein, J. Green, E. Jackson, Kightlinger, Kirkland, Kostopoulos, Man, Mares, Marumoto, Odwak, Quilizapa, Riss, B. Robertson, Rohen, Roman, Scully, Skillman, Soper, Stites, Tonsick, Tubbs, Van den Berg, E. Young, and Zhan.

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

No members responded

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

Motion: Carried

Moved: Director Dear Seconded: Director Kurtz

Ayes: Vice Chair Wunderlich, Directors Blois, Dake, Dear, Faessel, Kurtz, Lewinger,

McKenney, Ramos, and Saxod.

Noes: None

Abstentions: None

Absent: Chair Barbre, Directors De Jesus, Martinez, Paskett, and Sinanyan.

The motion passed by a vote of 10 ayes, 0 noes, 0 abstain, and 5 absent.

### 3. CONSENT CALENDAR ITEMS – ACTION

7-5 Subject: Adopt CEQA determination and adopt resolution for the 105<sup>th</sup>

Fringe Area Annexation to Eastern Municipal Water District

and Metropolitan.

7-6 Subject: Adopt CEQA determination and adopt resolution for the 107<sup>th</sup>

Fringe Area Annexation to Eastern Municipal Water District

and Metropolitan.

Motion: To adopt both items 7-5 and 7-6 without any presentation.

Motion: Carried

Moved: Director Faessel Seconded: Director Kurtz

Ayes: Vice Chair Wunderlich, Directors Blois, Dake, Dear, Faessel, Kurtz, Lewinger,

McKenney, Ramos, and Saxod.

Noes: None Abstentions: None

Absent: Chair Barbre, Directors De Jesus, Martinez, Paskett, and Sinanyan.

The motion passed by a vote of 10 ayes, 0 noes, 0 abstain, and 5 absent.

#### 4. OTHER BOARD ITEMS – ACTION

8-1 Subject: Adopt CEQA determination and adopt resolution approving

Treatment Charge Workgroup's proposed policy principles, recommended treatment capacity charge, and treatment capacity

charge implementation.

Substitute Motion:

Option #2 as amended

Adopt the CEQA determination that the proposed action is not

defined as a project under CEQA and is not subject to CEQA,

and

Adopt the Resolution Approving the Treatment Charge Workgroup's Proposed Policy Principles (as amended by deleting the fourth Whereas clause on page 2 of attachment 4)

and take no further action at this time.

Motion: Carried

Moved: Director Dear Seconded: Director Dake

Ayes: Directors Blois, Dake, Dear, Faessel, Lewinger, Ramos, and Saxod.

Noes: Vice Chair Wunderlich, Directors Kurtz, and McKenney.

Abstentions: None

Absent: Chair Barbre, Directors De Jesus, Martinez, Paskett, and Sinanyan.

The motion passed by a vote of 7 ayes, 3 no, 0 abstain, and 5 absent.

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Vice Chair Wunderlich noted that the San Diego County Water Authority's letter of opposition to Item 8-1, dated April 10, 2017, will be entered as part of the record.

8-2 Subject: Adopt CEQA determination and approve resolutions fixing and

adopting a Readiness-to-Serve Charge and a Capacity Charge for

calendar year 2018.

Motion: 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. Adopt Resolution Fixing and Adopting a Readiness-to-Serve Charge effective January 1, 2018, as set forth in the form of Attachment 1 of the board letter dated April 11, 2017, using the charge shown in Section 4 of the Resolution; and
- a. Adopt Resolution Fixing and Adopting a Capacity Charge effective January 1, 2018, as set forth in the form of Attachment 2 of the board letter dated April 11, 2017, using the charge shown in Section 5 of the Resolution.

Motion: Carried

Moved: Director Dake Seconded: Director McKenney

Ayes: Vice Chair Wunderlich, Directors Blois, Dake, Dear, Faessel, Kurtz, McKenney,

and Ramos.

Noes: Directors Lewinger and Saxod.

Abstentions: None

Absent: Chair Barbre, Directors De Jesus, Martinez, Paskett, and Sinanyan.

The motion passed by a vote of 8 ayes, 2 no, 0 abstain, and 5 absent.

Vice Chair Wunderlich noted that the San Diego County Water Authority's letter of opposition to Item 8-2, dated April 10, 2017, will be entered as part of the record.

# 5. BOARD INFORMATION ITEMS

None

#### 6. COMMITTEE ITEMS

a. 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.

b. Subject: Quarterly Financial Update

Presented by: Hal Soper, Treasurer

Mr. Soper presented a quarterly financial review, March 31, 2017 (preliminary), which included projections to the end of the fiscal year and an explanation of any significant variances to the adopted budget for Fiscal Year 2016/17.

c. Subject: Debt Management Update

Presented by: Eric Goldstein, Principal Administrative Analyst

Mr. Goldstein presented an overview of revenue bond debt, current tax-exempt yield curve and market refunding objectives, revenue bond debt, and a timeline of proposed financings.

#### 7. MANAGEMENT REPORT

a. Subject: Chief Financial Officer's report

Presented by: Gary Breaux, Chief Financial Officer/Assistant General Manager Mr. Breaux had nothing further to report, given what was covered in the other

presentations.

# 8. FOLLOW-UP ITEMS

None

#### 9. FUTURE AGENDA ITEMS

None

# 10. ADJOURNMENT

Next meeting will be held on May 8, 2017.

Meeting adjourned at 10:24 a.m.

Robert Wunderlich Vice Chair