

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

FINANCE AND INSURANCE COMMITTEE

October 9, 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, Directors Dake, Dear, De Jesus, Faessel, Kurtz, Lewinger (entered at 9:32 a.m.), McKenney (entered at 9:33 a.m.), and Saxod (entered at 9:32 a.m.).

Members absent: Vice Chair Wunderlich, Directors Blois, Gedney, Martinez, Paskett, Ramos, and Sinanyan.

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

Staff present: I. Aldrete, Beatty, Benito, Bowman, Breaux, Brooks, Donhoff, Goldstein, J. Green, E. Jackson, Mares, Odwak, B. Robertson, Rohen, Scully, Skillman, Soper, Tonsick, Upadhyay, E. Young, Zinke.

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

No members responded.

Chair Barbre announced that there would be a reordering of the meeting agenda due to lack of quorum. Item 6a would be heard first with the approval of September 11, 2017 minutes to deferred to later in the meeting.

3. CONSENT CALENDAR ITEMS - ACTION

None

4. OTHER BOARD ITEMS -- ACTION

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Subject: Year-End Financial Review

Presented by: Bernadette Robertson, Controller

Ms. Robertson presented the Board with information on Metropolitan's final audited fiscal year 2016/17 revenues, expenses, unrestricted reserves, and water management fund balance. She further presented ten-year trend for total assets, total liabilities and net position, capital assets and SWC costs, long-term debt, pension, and OPEB

Directors Lewinger and Saxod entered at 9:32 a.m.

Director McKenney entered at 9:33 a.m.

Chair Barbre announced that the meeting would now return to its originally scheduled order as listed on the agenda.

**2. APPROVAL OF THE MINUTES OF THE MEETING OF THE ADJOURNED
FINANCE AND INSURANCE COMMITTEE HELD ON SEPTEMBER 11, 2017**

Motion: Approved

Moved: Director McKenney Seconded: Director Faessel

Ayes: Chair Barbre, Directors Dake, Dear, De Jesus, Faessel, Kurtz, Lewinger,
McKenney, and Saxod

Noes: None

Abstentions: None

Absent: Vice Chair Wunderlich, Directors Blois, Gedney, Martinez, Paskett, Ramos,
and Sinanyan

The motion passed by a vote of 9 ayes, 0 noes, 0 abstain, and 7 absent.

6. COMMITTEE ITEMS

c. Subject: Review of Performance by External Investment Advisor

Presented by: Ted Disabato, Meketa Investment Group

Mr. Disabato gave the Board an overview of the performance of Metropolitan's two external asset management firms, Reams Asset Management and Hillswick Asset Management.

- b. Subject: External Investment Manager Presentations

- Reams Asset Management

Presented by: Todd Thompson, Reams Asset Management

Mr. Thompson presented an overview of Reams Asset Management and its capabilities, which included firm history and assets under management, ownership, investment philosophy, investment process, and an explanation of how the firm adds value to Metropolitan.

- Hillswick Asset Management

Presented by: Mark McDonnell, Hillswick Asset Management

Mr. McDonnell presented the Hillswick company profile, the investment team, organizational structure, firm history, investors and assets mix, resources and strengths, philosophy, investment process, portfolio construction and benchmark, and a current macro-economic outlook.

- d. Subject: Oral Report on Investment Activities

Due to time constraints this item was not presented.

7. MANAGEMENT REPORT

- a. Subject: Chief Financial Officer's review

Due to time constraints this item was not presented.

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

None

Next meeting will be held on November 13, 2017.

Meeting adjourned at 11:03 a.m.

Brett R. Barbre
Chair