

6. COMMITTEE ITEMS

- a. Subject: Update on Other Post-Employment Benefits (OPEB)
Presented by: Mary Beth Redding, Bartel Associates, LLC

Ms. Redding presented the committee with an update of Metropolitan's retiree healthcare plan, which included a summary of valuation results, historical valuation results, projections, and new OPEB accounting standard.

Chair Barbre requested that information on setting up a 115 Trust to set aside funding for PERS be brought back to the committee in June/July 2018.

- b. Subject: Quarterly Financial Update
Presented by: Bernadette Robertson, Controller

Ms. Robertson presented Metropolitan's quarterly financial review for the period ending December 31, 2017. Her report included cumulative water transactions in acre-feet, and projected fiscal year 17/18 revenues and expenses to the budget for fiscal year 17/18, and projected unrestricted reserve balance at June 30, 2018.

Director Lewinger requested that future reports of water transactions break out exchange transactions separately.

- c. Subject: Oral Report on Investment Activities
Presented by: June Skillman, Budget and Treasury Manager

Ms. Skillman presented the committee with an overview of Metropolitan's Treasurer's Report as of January 2018, pointing out short-term and long-term investment returns.

7. MANAGEMENT REPORT

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

Mr. Breaux presented the committee with an update of water revenues for the seven month period ending January 31, 2018, preliminary. His report included cumulative, monthly, and water transactions through January 31, 2018 in acre-feet.

8. BUDGET AND RATES WORKSHOP #1

Subject: Workshop #1 (Proposed Biennial Budget for FYs 2018/19 and 2019/20; Ten-Year Financial Forecast)
Presented by: June Skillman, Budget and Treasury Manager;
Lisa St Regis, Budget Unit Manager;
Arnout Van den Berg, Principal Resource Specialist

Ms. Skillman presented the committee with an overview of the proposed biennial budget for Fiscal Years 2018/19 and 2019/20.

Ms. St Regis presented the committee with an overview of the operating budget, which included strategic priorities and expenditures trends. She also presented the Operations and Maintenance (O&M) expenditure budget, including departmental budgets for the General Manager, General Counsel, General Auditor and Ethics Officer.

Mr. Van den Berg presented the committee with an overview of the ten-year financial forecast, which included projected rate increases and financial metrics, water transactions, projected volumetric rates, revenue forecast, expenditure forecast, SWC forecast, demand management, capital investment plan expenditures, outstanding debt, debt service. He also reviewed changes from the previous ten-year financial forecast, which included expenditures, SWC, O&M, supply programs, capital financing, CRA power, and demand management.

Ms. Skillman concluded the committee presentation by pointing out dates of upcoming workshops, public hearings, and board actions.

A variety of questions and requests for additional information from committee members will be responded to at the upcoming workshops.

9. FOLLOW-UP ITEMS

None

10. FUTURE AGENDA ITEMS

February 27, 2018	F&I Committee, Workshop #2
March 12, 2018	F&I Committee, Workshop #3
March 13, 2018	Public hearings on proposed water rates and charges and continuing suspension of the ad valorem tax limitation
March 27, 2018	F&I Committee, Workshop #4, if needed
April 9, 2018	F&I Committee, Workshop #5, if needed
April 10, 2018	Board actions regarding biennial budget, calendar year rates and charges, and ten-year financial forecast

11. ADJOURNMENT

Next meeting will be held on February 27, 2018.

Meeting adjourned at 11:41 a.m.

Brett R. Barbre
Chair