

Ayes: Chair Dake, Vice Chair Faessel, Directors Blois, De Jesus, Kurtz, Lewinger, McKenney, Ramos, and Saxod
Noes: None
Abstentions: None
Absent: Directors Barbre, Gedney, Paskett, and Sinanyan

The motion unanimously passed by a vote of 9 ayes, 0 noes, 0 abstain, and 4 absent.

4. OTHER BOARD ITEMS -- ACTION

8-1 Adopt CEQA determination and approve Metropolitan’s Statement of Investment Policy for fiscal year 2018/19, and delegate authority to the Treasurer to invest Metropolitan’s funds for fiscal year 2018/19.

Presented by: June Skillman, Budget & Treasury Manager

Motion: Carried

Moved: Director Blois Seconded: Director McKenney

Ayes: Chair Dake, Vice Chair Faessel, Directors Blois, De Jesus, Kurtz, Lewinger, McKenney, Ramos, and Saxod

Noes: None

Abstentions: None

Absent: Directors Barbre, Gedney, Paskett, and Sinanyan

The motion passed by a vote of 9 ayes, 0 noes, 0 abstain, and 4 absent.

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

- a. Subject: Debt Management Update
Presented by: Eric Goldstein, Debt Management Specialist

Mr. Goldstein presented the committee with an update on Metropolitan’s debt management activities. His update included an overview of Metropolitan’s fixed rate and variable rate financings, as well as highlights of Metropolitan’s rating agency reports.

The following Directors provided comments or asked questions:

- 1. Lewinger
- 2. McKenney
- 3. Blois

Director Lewinger requested that staff provide the Board with a sensitivity analysis before the California WaterFix vote next month. This analysis would illustrate the impact on untreated water rates and the Readiness-to-Serve Charge and would examine what would occur if WaterFix costs are 30% higher than currently anticipated. When it was pointed out that the cost estimate already includes a 30 percent contingency, Director Lewinger confirmed he is requesting staff

provide a sensitivity analysis that assumes costs are 60 percent higher (30 percent added to the 30 percent contingency already included in costs).

Director Lewinger also requested that the sensitivity analysis be provided with and without the Regional Recycled Water Project included, to show how rates would be impacted if both projects go forward.

Director Lewinger asked how the new Governmental Accounting Standards Board (GASB) Statement No. 88 will impact Metropolitan's ability to issue debt under the MWD Act. Gary Breaux, CFO, will have the Controller review this and get back to the committee.

- b. Subject: SB 450 Compliance for Bond Issuances
Presented by: Eric Goldstein, Debt Management Specialist

Mr. Goldstein presented the committee with an overview of SB 450 Compliance for Bond Issuances, enacted in October 2017. He also pointed out estimated disclosure requirements related to the Special Variable Rate Water Revenue Bonds, 2018 Series A1 and A2.

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

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

7. MANAGEMENT REPORT

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

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

The following Director provided comments or asked questions:

1. Lewinger

Director Lewinger requested the current balance in the Water Treatment Surcharge Stabilization Fund. Gary Breaux, CFO, stated he would provide that number to the committee.

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

None

10. ADJOURNMENT

Next meeting will be held on July 9, 2018.

Meeting adjourned at 10:14 a.m.

Glen C. Dake
Chair