

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**MINUTES**

**FINANCE AND INSURANCE COMMITTEE**

**February 8, 2021**

Chair Quiñonez called the teleconference meeting to order at 9:02 a.m.

Members present: Chair Quiñonez, Vice Chair Record, Directors Blois, Dick, Faessel, Goldberg, Hawkins, Quinn, Ramos, Smith, and Tamaribuchi.

Members absent: None

Other Board Members present: Chairwoman Gray, Directors Abdo, Ackerman, Apodaca, Atwater, Butkiewicz, Cordero, De Jesus, Galleano, Kurtz, Lefevre, Morris, Murray, Peterson, Pressman, Williams.

Committee Staff present: Beatty, Kasaine, Kightlinger, Ros, Scully, Upadhyay

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

None

<b>CONSENT CALENDAR ITEMS — ACTION</b>
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**2. CONSENT CALENDAR OTHER ITEMS – ACTION**

- A. Subject: Approval of the Minutes of the meeting of the Finance and Insurance Committee held January 11, 2021

**3. CONSENT CALENDAR ITEMS – ACTION**

None

No presentation was given; Director Faessel made a motion, seconded by Director Dick, to approve the consent calendar consisting of item 2A.

The vote was:

- Ayes: Directors Blois, Dick, Faessel, Goldberg, Hawkins, Quinn, Quiñonez, Ramos, Record, Smith and Tamaribuchi
- Noes: None
- Abstentions: None
- Absent: None

The motion passed by a vote of 11 ayes, 0 noes, 0 abstain, and 0 absent.

<b>END OF CONSENT CALENDAR ITEMS</b>
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**4. OTHER BOARD ITEMS – ACTION**

None

**5. BOARD INFORMATION ITEMS**

None

**6. COMMITTEE ITEMS**

- a. Subject: An Update of the Rate Refinement Process
- Presented by: Katano Kasaine, Assistant General Manager and Chief Financial Officer

Ms. Kasaine presented the committee with an update on the rate refinement process. Her update included a review of the workgroup's progress, next steps in reviewing the rate structure framework and principles, other rate refinement items to be discussed and the schedule for future workgroup meetings.

The following Directors provided comments or asked questions:

- Added
1. Smith
    - a. Requested a monthly update on the rate review process.
    - b. Requested the General Manager's explanation on dry-year allocations and how that ties into our rates.
    - c. Requested follow-up on Director Goldberg's request for a discussion on preferential rights.
  2. Goldberg

Staff responded to the Directors' questions and comments.

b. Subject: Quarterly Financial Report

Presented by: Kelsey Decasas, Team Manager- Finance Reporting & Plant Asset

Ms. Kasaine introduced the item and Ms. Decasas presented the committee with Metropolitan's quarterly financial report for the period ending December 31, 2020, preliminary. Her report included cumulative water transactions in acre-feet, revenues, expenses, and unrestricted reserve balance for fiscal year 2020/21. She also reported on reimbursable costs and Operations & Maintenance costs for the Delta Conveyance Project through December 2020.

The following Directors provided comments or asked questions:

1. Smith

Staff responded to the Director's questions and comments.

c. Subject: Quarterly Investment Activities Report

Presented by: Sarah Meacham, Managing Director, PMF Asset Management

Ms. Kasaine introduced the item and Ms. Meacham presented the committee with an overview of Metropolitan's liquidity portfolio through December 31, 2020 and discussed the market environment, sector allocation, credit quality, investment strategy, returns, and outlooks.

**7. MANAGEMENT REPORT**

a. Subject: Chief Financial Officer's report

Ms. Kasaine presented the committee with an overview of the Water Revenue Bonds, 2021 Series A and the results from the series.

**8. FOLLOW-UP ITEMS**

None

**9. FUTURE AGENDA ITEM**

None

**10. ADJOURNMENT**

Next meeting will be held on March 8, 2021.

Meeting adjourned at 9:56 a.m.

Jesus Quiñonez

Chair