

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**MINUTES**

**FINANCE AND INSURANCE COMMITTEE**

**May 10, 2021**

Vice Chair Record called the teleconference meeting to order at 9:00 a.m.

Members present: Vice Chair Record, Directors Blois, Dick, Faessel, Goldberg, Hawkins, Jung, Ortega, Quinn (entered after roll call), Smith, and Tamaribuchi.

Members absent: Director Ramos

Other Board Members present: Chairwoman Gray, Directors Abdo, Ackerman, Atwater, Cordero, De Jesus, Erdman, Galleano, Hogan, Kurtz, Lefevre, Morris, Peterson, and Pressman.

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>
--

**2. CONSENT CALENDAR OTHER ITEMS – ACTION**

- A. Subject: Approval of the Minutes of the meeting of the Finance and Insurance Committee held April 12, 2021

**3. CONSENT CALENDAR ITEMS – ACTION**

- 7-1 Subject: Adopt resolution to continue Metropolitan's Water Standby Charge for fiscal year 2021/22; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA
- Motion: Adopt the resolution to continue the Standby Charge for fiscal year 2021/22.
- Presented by: Nancy Warfel, Resource Specialist

Ms. Kasaine introduced the item and Ms. Warfel presented the committee with an overview of the Water Standby Charge program and previous board actions taken regarding the Readiness-to-Serve Charge and Standby Charge.

7-2 Subject: Approve and authorize the distribution of Appendix A for use in the issuance and remarketing of Metropolitan's Bonds; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Motion:

- a. Approve the draft of Appendix A (Attachment 1) attached to the board letter.
- b. Authorize the General Manager, or other designee of the Ad Hoc Committee, to finalize, with changes approved by the General Manager and General Counsel, Appendix A.
- c. Authorize distribution of Appendix A, finalized by the General Manager or other designee of the Ad Hoc Committee, in connection with the sale or remarketing of bonds.

Presented by: Patrick Rohen, Deputy General Counsel

Ms. Kasaine introduced the item and Mr. Rohen presented the committee with a brief overview of Appendix A, the update process and future updates.

The following Directors provided comments or asked questions:

1. Goldberg

Staff responded to the Directors' questions and comments.

Katano Kasaine noted that a letter, dated May 09, 2021, was received from the San Diego County Water Authority delegation commenting on Item 7-2; and stated that she will respond within the next couple of days.

After completion of the presentations, Director Jung made a motion, seconded by Director Dick, to approve the consent calendar consisting of items 2A, 7-1, and 7-2.

The vote was:

Ayes: Directors Blois, Dick, Faessel, Goldberg, Hawkins, Jung, Ortega, Quinn, Record, Smith and Tamaribuchi

Noes: Directors Goldberg and Smith, item 7-2 only

Abstentions: None

Absent: Director Ramos

Director Goldberg requested, on behalf of the San Diego County Water Authority delegation of directors, that their letter dated May 9, 2021 addressed to Chairwoman Gray regarding Agenda Item 7-2, be added to the record. The letter was received via email on Sunday, May 9, 2021 at 6:49 PM.

The motion for item 2A and 7-1 passed by a vote of 11 ayes, 0 noes, 0 abstain, and 1 absent.

The motion for item 7-2 passed by a vote of 9 ayes, 2 noes, 0 abstain, and 1 absent.

<b>END OF CONSENT CALENDAR ITEMS</b>
--------------------------------------

**4. OTHER BOARD ITEMS – ACTION**

None

**5. BOARD INFORMATION ITEMS**

9-2                      Renewal Status of Metropolitan's Property and Casualty Insurance Program

Presented by:        Drew Boronkay, Unit Manager-Risk Management

Ms. Kasaine introduced the item and Mr. Boronkay presented the committee with an overview of the Property and Casualty Insurance programs and the cost estimates for this year's insurance renewal.

**6. COMMITTEE ITEMS**

a.    Subject:              Draft Rate Refinement Structure Guiding Principles

Presented by:        Drew Atwater, Unit Manager-Rates, Charges & Financial Planning  
                              Katano Kasaine, Assistant General Manager/Chief Financial Officer

Ms. Kasaine introduced the item and Mr. Atwater and Ms. Kasaine presented the committee with Rate Structure highlights, proposed changes to the Rate Structure Framework, and proposed board timeline.

The following Directors provided comments or asked questions:

1. Smith
2. Ortega
3. Blois

Staff responded to the Directors' questions and comments.

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

Ms. Kasaine introduced the item and Ms. Robertson presented the committee with Metropolitan's quarterly financial report for the period ending March 31, 2021. The report included cumulative water transactions in acre-feet, revenues, expenses, and unrestricted reserve balance for fiscal year 2020/21. Ms. Robertson also reported on reimbursable costs and Operations & Maintenance costs for the Delta Conveyance Project through March 2021.

**7. MANAGEMENT REPORT**

- a. Subject: Chief Financial Officer's report  
No Report given.

**8. FOLLOW-UP ITEMS**

None

**9. FUTURE AGENDA ITEM**

None

**10. ADJOURNMENT**

Next meeting will be held on June 7, 2021.

Meeting adjourned at 9:59 a.m.

Randy Record  
Vice Chair