THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

FINANCE AND INSURANCE COMMITTEE

May 7, 2018

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, Vice Chair Dake, Directors Blois, De Jesus, Faessel, Kurtz (entered 9:35 a.m.), Lewinger, McKenney, and Ramos.

Members absent: Directors Gedney, Paskett, Saxod, and Sinanyan.

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

Staff present: Beatty, Benito, Boronkay, Breaux, L. Carrillo, S. Chapman, Coffey, D. Cole, Decasas, Donhoff, Dunn, Goldstein, J. Green, E. Jackson, Kightlinger, Kirkland, Kostopoulos, Kuo Brinton, Odwak, Quilizapa, B. Robertson, Shraibati, Sims, Skillman, Stites, Tonsick, Tubbs, Upadhyay, Van den Berg, Von Haam, Westford, S.Wong, E. Young, and Zinke.

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

No members responded.

2. APPROVAL OF THE MINUTES OF THE FINANCE AND INSURANCE COMMITTEE HELD APRIL 9, 2018

Motion: Carried, with amendment noting that the letter dated April 9, 2018 from Dennis Cushman, Assistant General Manager of San Diego County Water Authority, regarding agenda Item 8-1 that was delivered during the Finance & Insurance (F&I) Committee on April 9, 2018, was added to the record.

Moved: Director Faessel Seconded: Director De Jesus

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

Noes: None

Abstentions: None

Absent: Directors Gedney, Kurtz, Paskett, Saxod, and Sinanyan

DRAFT

Director Lewinger requested that the April 9, 2018 F&I Committee meeting minutes be amended to note that Mr. Cushman's April 9, 2018 letter is added to the record of the April 9 F&I Committee meeting. Chair Barbre agreed and the Committee approved the April 9 meeting minutes with this amendment.

The motion unanimously passed by a vote of 8 ayes, 0 noes, 0 abstain, and 5 absent.

3. CONSENT CALENDAR ITEMS – ACTION

7-1 Adopt the CEQA determination that the proposed action is categorically exempt, and adopt resolution granting approval for Calleguas Annexation No. 102 concurrently to Calleguas and Metropolitan and establish Metropolitan's terms and conditions for the annexation (Attachment 3 of board letter 7-1), conditioned upon approval by the Ventura Local Agency Formation Commission, and upon receipt of the annexation fee of $9,196.54.

Presented by: None

Motion: Carried

Moved: Director Lewinger Seconded: Director Blois

Ayes: Chair Barbre, Vice Chair Dake, Directors Blois, De Jesus, Faessel, Lewinger, McKenney, and Ramos.

Noes: None

Abstentions: None

Absent: Directors Gedney, Kurtz, Paskett, Saxod, and Sinanyan

The motion unanimously passed by a vote of 8 ayes, 0 noes, 0 abstain, and 5 absent.

4. OTHER BOARD ITEMS -- ACTION

8-1 Adopt the CEQA determination that the proposed action is not defined as a project, and adopt the resolution to continue collecting the Standby Charge for fiscal year 2018/19.

Presented by: Stathis Kostopoulos, Principal Resource Specialist

Motion: Carried

Moved: Director McKenney Seconded: Director Blois

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

Noes: Director Lewinger

Abstentions: None

Absent: Directors Gedney, Paskett, Saxod, and Sinanyan

Director Kurtz entered the meeting at 9:35 a.m.

Chair Barbre noted that the San Diego County Water Authority's letter of opposition to Item 8-1, received on May 4, 2018, will be entered as part of the record.

The motion passed by a vote of 8 ayes, 1 noes, 0 abstain, and 4 absent.

8-2 Adopt CEQA determination that the proposed action is not defined as a project and

a. Approve the draft of Appendix A (Attachment 1 to board letter 8-2)
b. Approve 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; and
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

Motion: Carried

Moved: Director De Jesus Seconded: Director McKenney

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

Noes: Director Lewinger

Abstentions: None

Absent: Directors Gedney, Paskett, Saxod, and Sinanyan

Chair Barbre noted that the San Diego County Water Authority's letter of opposition to Item 8-2, dated May 7, 2018, will be included as part of the record.

The motion passed by a vote of 8 ayes, 1 noes, 0 abstain, and 4 absent.

8-3 Adopt the CEQA determination that the proposed action is not defined as a project and

a. Adopt the Fourth Supplemental Subordinate Resolution to the Master Subordinate Resolution authorizing the issuance of up to $80 million of Subordinate Water Revenue Bonds, 2018 Series and providing the terms and conditions for the sale and issuance of said Subordinate water Revenue Bonds; and
b. Approve up to $150,000 for the payment of the costs of issuance of the Subordinate Water Revenue Bonds, 2018 Series to be paid from bond proceeds or Metropolitan funds.

Presented by: June Skillman, Budget & Treasury Manager

Motion: Carried

Moved: Vice Chair Dake Seconded: Director Blois

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

Noes: Director Lewinger

Abstentions: None

Absent: Directors Gedney, Paskett, Saxod, and Sinanyan

Chair Barbre noted that the San Diego County Water Authority's letter of opposition to Item 8-3, dated May 7, 2018, will be included as part of the record.

The motion passed by a vote of 8 ayes, 1 noes, 0 abstain, and 4 absent.

5. BOARD INFORMATION ITEMS

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

Presented by: Drew Boronkay, Unit Manager, Risk Management

6. COMMITTEE ITEMS

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

Ms. Skillman presented the committee with the Treasurer's Report on Investment Activities through March 2018, pointing out short-term and long-term portfolio balances and total returns.

Chair Barbre noted that Item 6.c. would be heard out of order, since Ms. Skillman was already at the podium.

c. Subject: SB 450 Compliance for Bond Issuances
Presented by: June Skillman, Budget & Treasury Manager

Ms. Skillman presented the committee with an overview of SB 450 Compliance for Bond Issuances, enacted in October 2017. She also pointed out estimated disclosure requirements related to the Subordinate Water Revenue Refunding, 2018 Series and the Subordinate Water Revenue Bonds, 2018 Series.

b. Subject: Updated Ten-Year Forecast
Presented by: Arnout Van den Berg, Principal Resource Specialist

Mr. Van den Berg presented the committee with an overview of the updated Ten-Year Forecast reflecting the Board action of April 2018 to fund the CA WaterFix.

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 ten month period ending April 30, 2018. His report included cumulative, monthly, and water transactions in acre-feet, and water revenues through April 2018.

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

None

10. ADJOURNMENT

Next meeting will be held on June 11, 2018.

Meeting adjourned at 10:21 a.m.

Brett R. Barbre
Chair