

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

**FINANCE, AFFORDABILITY, ASSET MANAGEMENT, AND EFFICIENCY
COMMITTEE**

July 8, 2025

Chair Miller called the meeting to order at 8:33 a.m.

Members present: Directors Alvarez, Armstrong, Bryant, Dennstedt (AB2449 just cause), McMillan (entered after roll call), Miller, Pressman (teleconference posted location), Quinn (entered after roll call) and Seckel.

Members absent: Directors Fong-Sakai and Petersen.

Other Board Members present: Directors Ackerman (AB2449 just cause), Dick, Erdman (teleconference posted location), Faessel, Fellow, Garza, Gray (teleconference posted location), Jay, Katz, Kurtz, Ortega, Ramos (teleconference posted location), and Shepherd Romey.

Director Dennstedt indicated she was participating under AB2449 just cause due to a contagious illness. Director Dennstedt appeared by audio and on camera.

Director Ackerman indicated she was participating under AB2449 just cause due to a contagious illness. Director Ackerman appeared by audio and on camera.

Committee Staff present: Benson, Crosson, Kasaine, Quilizapa, Rubin, Upadhyay, and Williams.

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

None

CONSENT CALENDAR ITEMS - ACTION

2. CONSENT CALENDAR OTHER ITEMS-ACTION

- A. Subject: Approval of the Minutes of the Special Finance, Affordability, Asset Management, and Efficiency Committee Meeting for June 23, 2025

3. **CONSENT CALENDAR -ACTION**

7-6 Subject: Approve a Treated Water Cost Recovery Rate Structure to be included with the staff proposal for the Fiscal Years 26/27 and 27/28 Biennial Budget and Calendar Years 27 and 28 Rates and Charges; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

 Motion: Approve a Treated Water Cost Recovery Rate Structure to be included with the staff proposal for the FY 26/27 and 27/28 Biennial Budget and CYs 27 and 28 Rates and Charges.

No presentation was requested.

The following Directors provided comments or asked questions:

1. Quinn

Staff responded to the Directors' comments and questions.

7-7 Subject: Approve Revisions to Metropolitan's Reserves Policy and Direct Staff to Implement Specific Sales Projections for the proposed Fiscal Years 26/27 and 27/28 Biennial Budget; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

 Motion: Approve revisions to Metropolitan's Reserves Policy and direct staff to implement specific sales projections for the proposed FY 26/27 and 27/28 Biennial Budget.

 Presented By: Arnout Van den Berg, Section Manager of Revenue & Budget stood by ready to presented. However, no presentation was given.

Staff responded to questions about the proposed refinements to the unrestricted reserve calculations, addressed projected demand variability, and discussed updates to the unrestricted reserve policy.

Director Quinn entered the meeting.

Director McMillan entered the meeting.

The following Directors provided comments or asked questions:

1. Seckel
2. Armstrong
3. Alvarez
4. Miller
5. Quinn
6. Ortega
7. Bryant
8. Dick

Staff responded to the Directors' comments and questions.

7-8 Subject: Authorize the General Manager to execute a license agreement with the California Department of Fish and Wildlife to allow the continuance of the Department's Nutria Eradication Program on Metropolitan's Bay Delta Islands located in Contra Costa and San Joaquin Counties; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Motion: Authorize the General Manager to execute a license agreement with the California Department of Fish and Wildlife to allow the continuance of the Department's Nutria Eradication Program on Metropolitan's Bay Delta Islands located in Contra Costa and San Joaquin Counties.

No presentation was requested.

Director Bryant made a motion, seconded by Director Dennstedt, to approve the consent calendar consisting of items 2A, 7-6, 7-7, and 7-8 option 1. Discussion followed, but Director Bryant called the question for a vote, followed by a substitute motion, seconded by Director Armstrong, to approve item 7-7 option 1 with an amendment on page 3 of the resolution to change item 2 to state, “Metropolitan shall use an 80% exceedance level for water demand projections when setting rates and preparing biennial budgets”. The directors compromised by Director Bryant removing item 7-7 from his motion and Director Alvarez withdrawing his substitute motion.

The vote was:

Ayes: Directors Alvarez, Armstrong, Bryant, Dennstedt, McMillan, Miller, Pressman, Quinn and Seckel.

Noes: Director Quinn (item 7-6)

Abstentions: None

Absent: Directors Fong-Sakai and Petersen.

The motion for items 2A and 7-8 passed by a vote of 9 ayes, 0 noes, 0 abstain, and 2 absent.

The motion for item 7-6 passed by a vote of 8 ayes, 1 no, 0 abstain, and 2 absent.

Director Dennstedt stated she was alone in the room for her vote.

Item 7-7 was voted on separately. Director Alvarez renewed his substitute motion, and Director Armstrong seconded the motion.

The vote was:

Ayes: Directors Alvarez, Armstrong, Dennstedt, McMillan, Miller, and Pressman.

Noes: Directors Bryant, Quinn, and Seckel.

Abstentions: None

Absent: Directors Fong-Sakai and Petersen.

The substitute motion for item 7-7 passed by a vote of 6 ayes, 3 noes, 0 abstain, and 2 absent.

Director Dennstedt stated she was alone in the room for her vote.

****END OF CONSENT CALENDAR ITEMS****

4. OTHER CONSENT ITEMS – ACTION

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

None

7. MANAGEMENT ANNOUNCEMENTS AND HIGHLIGHTS

- a. Subject: Financial, Affordability, Asset Management, and Efficiency activities

Mr. Benson stated the report was posted on Metropolitan's website and provided a brief overview of the Finance Activities Report.

Ms. Kasaine gave a brief report highlighting Metropolitan's current financial standing and the continued strength of our ratings.

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

None

10. ADJOURNMENT

The next meeting will be held on August 19, 2025

The meeting adjourned at 9:46 a.m.

C. Martin (Marty) Miller
Chair