

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**MINUTES**

**FINANCE, AUDIT, INSURANCE, AND REAL PROPERTY COMMITTEE**

**August 15, 2023**

Chair Smith called the meeting to order at 8:30 a.m.

Members present: Directors Alvarez, Armstrong, De Jesus, Dennstedt, Dick, Fong-Sakai, Miller, Pressman (entered after roll call, teleconference posted location), Quinn (entered after roll call), Seckel, and Smith.

Members absent: Directors Chacon and Petersen.

Other Members present: Ackerman, Bryant, Cordero, Erdman, Faessel, Goldberg, Gray (teleconference posted location), Kurtz, McMillan, Morris, Ortega, Peterson (teleconference posted location), and Ramos.

Committee Staff present: Beatty, Benson, Hagekhalil, Kasaine, Ros, Suzuki, and Tucker.

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

Caty Wagner, Sierra Club California commented on item 8-1.

**2. SUBCOMMITTEE REPORTS**

None

Director Pressman entered the meeting.

**3. OTHER MATTERS**

6G Subject: Report on the list of certified assessed valuations for the fiscal year 2023/24 and tabulation of assessed valuations, percentage participation, and vote entitlement of member agencies as of August 15, 2023

Presented by: None; no presentation was requested

The following Director provided comments or asked questions:

1. Smith

Staff responded to the Director's comments and questions.

## **CONSENT CALENDAR ITEMS — ACTION**

### **4. CONSENT CALENDAR OTHER ITEMS – ACTION**

- a. Subject: Approval of the Minutes of the Finance, Audit, Insurance, and Real Property Committee Meeting for July 11, 2023 (Copies have been submitted to each Director, Any additions, corrections, or omissions)

### **5. CONSENT CALENDAR ITEMS – ACTION**

None.

Director Pressman made a motion, seconded by Director Miller, to approve the consent calendar consisting of item 4a.

The vote was:

Ayes: Directors Alvarez, Armstrong, De Jesus, Dennstedt, Dick, Fong-Sakai, Miller, Pressman, Seckel, and Smith

Noes: None

Abstentions: None

Not Voting: None

Absent: Directors Chacon, Petersen, and Quinn.

The motion for item 4a passed by a vote of 10 ayes, 0 noes, 0 abstain, and 3 absent.

## **END OF CONSENT CALENDAR ITEMS**

Director Quinn entered the meeting.

**6. OTHER BOARD ITEMS – ACTION**

8-1 Subject: Adopt Resolution establishing the Ad Valorem tax rate for fiscal year 2023/24; the General Manager has determined that the proposed action is either exempt or otherwise not subject to CEQA

Motion: a. Adopt the Resolution Levying Ad Valorem Property Taxes for the Fiscal Year Commencing July 1, 2023, and ending June 30, 2024, for the purposes of The Metropolitan Water District of Southern California (Attachment 1) maintaining the tax rate at .0035 percent of assessed valuation, the same rate levied in FY 2022/23; and  
b. Direct staff to transmit that resolution to the county auditor-controllers, or equivalent, for the levy and collection of the ad valorem property tax.

Presented by: Samuel Smalls, Manager of Treasury and Debt Management

Ms. Kasaine introduced the item and Mr. Smalls presented the committee with an overview of the tax rate adoption process and the proposed tax rate adoption. His presentation also included ad valorem tax background, historical property tax rate, and the current ad valorem tax rate.

The following Directors provided comments or asked questions:

1. Fong-Sakai
2. Seckel
3. Smith
4. Armstrong
5. Dick
6. Ortega

Staff responded to the Directors' comments and questions.

After completion of the presentation, Director Pressman made a motion, seconded by Director Dennstedt, to approve item 8-1.

The vote was:

Ayes: Directors Alvarez, Armstrong, De Jesus, Dennstedt, Dick, Fong-Sakai, Miller, Pressman, Quinn, Seckel, and Smith.

Noes: None

Abstentions: None

Not Voting: None

Absent: Directors Chacon and Petersen.

The motion for item 8-1 passed by a vote of 11 ayes, 0 noes, 0 abstain, and 2 absent.

Chair Smith and Mr. Hagekhalil addressed the committee on the timeline for item 9-2.

Chair Smith announced that there would be a reordering of the meeting agenda. Item 8c would be heard first with the Board Information item following.

## **8. COMMITTEE ITEMS**

- c. Subject: Staff Analysis of Reserves  
Presented by: None; no presentation was requested

Mr. Hagekhalil addressed the committee on the proposed plan for the reserve analysis. An analysis will be done by staff to create expenditure and revenue tracking buckets. He recommended bringing this analysis back to the Board in November or January.

Chair Smith announced that the meeting would now return to its originally scheduled order as listed on the agenda.

## **7. BOARD INFORMATION ITEMS**

- 9-2 Subject: Review Draft 2023 Long-Range Finance Plan Needs Assessment  
Presented by: Katano Kasaine, Assistant General Manager/Chief Financial Officer  
Adam Benson, Group Manager- Finance  
Arnout Van den Berg, Section Manager – Revenue & Budget  
Samuel Smalls, Manager of Treasury and Debt Management

Ms. Kasaine introduced the item and Mr. Benson presented the item. Next, Mr. Van den Berg provided an overview of the long-range finance plan and rate impact modeling analysis. Mr. Smalls continued the presentation with a summary of capital financing considerations. Lastly, Mr. Benson provided the conclusion and next steps.

The following Directors provided comments or asked questions:

1. Smith
2. Seckel
3. Armstrong
4. Alvarez
5. Kurtz
6. Quinn
7. Fong-Sakai
8. Dennstedt

Staff responded to the Directors' comments and questions.

**8. COMMITTEE ITEMS (CONTINUE)**

- a. Subject: Quarterly Financial Report  
Presented by: None; no presentation was requested
  
- b. Subject: Quarterly Investment Activities Report  
Presented by: None; no presentation was requested
  
- d. Subject: Discussion of Department Head Performance and Goal Setting  
[Public employees' performance evaluations - General Auditor; to be  
heard in closed session pursuant to Gov. Code Section 54957]  
Presented by: Scott Suzuki, General Auditor

In closed session, the committee heard the item. No action was taken.

**9. MANAGEMENT REPORTS**

- a. Subject: Chief Financial Officer's report  
No report was given.
  
- b. Subject: General Auditor's Report  
No report was given.
  
- c. Subject: Real Property Group Manager's Report  
No report was given.

**10. FOLLOW-UP ITEMS**

None

**11. FUTURE AGENDA ITEMS**

None

**12. ADJOURNMENT**

The next meeting will be held on September 12, 2023.

The meeting adjourned at 11:03 a.m.

Timothy Smith  
Chair