

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

FINANCE, AFFORDABILITY, ASSET MANAGEMENT, AND EFFICIENCY COMMITTEE

April 14, 2026

Chair Miller called the meeting to order at 8:34 a.m.

Members present: Directors Alvarez, Bryant, Crane, Dennstedt, Fong-Sakai, McMillan (entered after rollcall), Miller, Paule, Pressman (entered after rollcall), Quinn (entered after rollcall), and Seckel.

Members absent: Director Petersen.

Other Members present: Ackerman, Camacho, Cordero, De Jesus, Denham, Erdman, Faessel, Fellow, Garza, Gold, Gray, Jay, Katz, Kurtz, Lewitt, McCoy, Ortega, Ramos, and Sutley.

Committee Staff present: Benson, Crosson, Deshmukh, Hudson, Kasaine, Quilizapa, Ros, and Rubin.

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

1. Bruce Resnik, LA Waterkeeper, commented on item 8-1
2. Caty Wagner, Sierra Club California, commented on item 8-1
3. Cintia Cortez, Restore the Delta, commented on item 8-1
4. Courtney Brown, San Diego Coastkeeper, commented on item 8-1

Chair Miller announced that there would be a reordering of the meeting agenda. Item 8-1 would be heard first with the Consent Calendar items following.

Director Pressman entered the meeting.

Director McMillan entered the meeting.

Director Quinn entered the meeting.

- 8-1 Subject: Approve the Proposed Biennial Budget for fiscal years 2026/27 and 2027/28, which includes the Capital Investment Plan and revenue requirements for fiscal years 2026/27 and 2027/28 and the ten-year forecast; adopt resolutions fixing and adopting the water rates and charges for calendar years 2027 and 2028; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Motion: The Committee approved Option #1, amended as follows:

- Revise first sentence of highlight item #4 from slide 4 to authorize a one-time draw from unrestricted reserves in fiscal year 2027/28 not to exceed \$58 million and appropriate for PWSC final design and if the unrestricted reserves fall below the minimum then the item will return to the Board;
- In addition, authorize additional appropriation of approximately \$16 million for PWSC final design from federal grant sources for a total appropriation of \$150 million over the two-year budget;
- The second sentence of item #4 remains for the project to undergo the CAMP4W and treatment studies evaluation process by year-end to assist the Board in its implementation decision; and
- Direct staff to conduct a market study for the sale of two islands and bring back that study to the Board for review.

Option 1, as amended:

- a. Approve the FY 2026/27 and FY 2027/28 Biennial Budget, which includes:
 - (i) appropriation of \$3,619.9 million for Metropolitan operations and maintenance and operating equipment, power costs on the CRA, SWC operations, maintenance, power and replacement costs and SWC capital charges, demand management programs including the LRP agreements and conservation programs, and costs associated with supply programs for FYs 2026/27 and 2027/28 (shown in Table 4);
 - (ii) a continuing appropriation of \$740.9 million for FYs 2026/27 and 2027/28 for debt service on Metropolitan general obligation and revenue bonds (Table 4);
 - (iii) continued appropriation of \$98.4 million for AVEK participation rights for FYs 2026/27 and 2027/28 via debt issued in 2025 by AVEFA on behalf of Metropolitan as obligator (Table 4);
 - (iv) appropriation of \$1,025 million funding for CIP for FYs 2026/27 and 2027/28; and,
 - (v) appropriation of \$150 million funding for 45-MGD Stage 1 PWSC planning and final design costs for FYs 2026/27 & 2027/28;
- b. Authorize the use of approximately \$75.9 million of available SWRCB fund, received Large Scale Water Recycling Plant

(LSWRP) Grants reimbursements and future reimbursements to fund the PWSC planning and design costs and authorize a one-time draw from unrestricted reserves in fiscal year 2027/28 not to exceed \$58 million and appropriate for PWSC final design and if the unrestricted reserves fall below the minimum then the item will return to the Board;

- c. Authorize the use of \$385.0 million in operating revenues to fund the CIP for FYs 2026/27 and 2027/28;
- d. Approve total revenue requirements to be paid from rates and charges of \$1,542.8 million in FY 2026/27 and \$1,672.7 million in FY 2027/28;
- e. Approve the Ten-Year Financial Forecast, as summarized in Figure 1;
- f. Approve water rates and charges effective January 1, 2027, and January 1, 2028, as shown in Table 5, which result in an overall increase of 6.2 percent in CY 2027 and 6.2 percent in CY 2028 from CY 2026 rates and charges;
- g. Adopt the Resolution Fixing and Adopting Water Rates To Be Effective January 1, 2027, and 2028, in the form of **Attachment 5**;
- h. Adopt the Resolution Fixing and Adopting a Readiness-To-Serve Charge Effective January 1, 2027, in the form of **Attachment 6**;
- i. Adopt the Resolution Fixing and Adopting a Capacity Charge Effective January 1, 2027, in the form of **Attachment 7**;
- j. Adopt the Resolution Fixing and Adopting the Treatment Fixed Charges Effective January 1, 2027, in the form of **Attachment 8**; and,
- k. Direct staff to evaluate the Conservation Program and the Local Resources Program within the next year to prioritize programs that are cost-effective and that meet the needs of Metropolitan and its member agencies.
- l. In addition, authorize additional appropriation of approximately \$16 million for PWSC final design from federal grant sources for a total appropriation of \$150 million over the two-year budget;
- m. The project will undergo the CAMP4W evaluation and treatment studies process by year-end to assist the Board in its implementation decision; and
- n. Direct staff to conduct a market study for the sale of two islands and bring back that study to the Board for review.

Presented by: Arnout Van den Berg, Section Manager - Revenue & Budget

Ms. Kasaine introduced the item, and Mr. Van den Berg presented the committee with an overview of the two budget options.

The following Directors provided comments or asked questions:

1. Miller
2. Kurtz
3. Ortega
4. Jay
5. Quinn
6. Camacho
7. Bryant
8. Faessel
9. Garza
10. Sutley
11. Gold
12. Seckel
13. Pressman
14. Erdman
15. Fellow
16. Fong-Sakai
17. Alvarez
18. Paule
19. Cordero

Staff responded to the Directors' comments and questions.

Director Miller made a motion, seconded by Director Fong-Sakai, to approve the consent calendar consisting of item 8-1 option 1, as amended.

The vote was:

Ayes: Directors Alvarez, Bryant, Crane, Dennstedt, Fong-Sakai, McMillan, Miller, Paule, Pressman, Quinn, and Seckel.

Noes: None

Abstentions: None

Absent: Director Petersen

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

Director Bryant left the meeting.

CONSENT CALENDAR ITEMS – ACTION

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

2. COMMITTEE ACTION (ONLY)

A. Subject: Approval of the Minutes of the Finance and Asset Management Committee Meeting for March 10, 2026

3. COMMITTEE ITEMS (FOR BOARD CONSIDERATION)

7-4 Subject: Review and consider the Final Environmental Impact Report certified by the City of Fontana together with information contained in the Westgate Specific Plan FEIR Addendum for the West Gate Specific Plan and take related actions, and authorize the General Manager to grant permanent easements to the City of Fontana for public road and utility purposes on Metropolitan fee-owned property in the City of Fontana and further identified as San Bernardino County Assessor Parcel Number 0228-012-04, 0228-092-18 and 0228-021-026

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No presentation was given.

Director Seckel made a motion, seconded by Director Paule, to approve the consent calendar consisting of items 2A and 7-4.

The vote was:

Ayes: Directors Alvarez, Bryant, Crane, Dennstedt, Fong-Sakai, McMillan, Miller, Paule, Pressman, Quinn, and Seckel.

Noes: None

Abstentions: None

Absent: Directors Bryant and Petersen.

The motion for items 2A and 7-4 passed by a vote of 10 ayes, 0 noes, 0 abstentions, and 2 absent.

END OF CONSENT CALENDAR ITEMS

4. COMMITTEE ITEMS (ACTION FOR BOARD CONSIDERATION)

- 8-3 Subject: Authorize a new agricultural lease agreement with Martini 21-5659 Companies, LLC for rice farming and related uses on portions of Metropolitan-owned real property in the Sacramento-San Joaquin Bay Delta known as Webb Tract; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [Conference with real property negotiators; properties totaling approximately 2,159 gross acres in the area commonly known as Webb Tract, also identified as Contra Costa County Assessor Parcel Numbers: 026-070-001-8, 026-080-006-5, 026-080-009-9, 026-080-007-3, 026-080-008-1, 026-080-004-0, 026-008-005-7; agency negotiators: Steven Johnson, Kevin Webb, and Kieran Callanan; negotiating parties: Robert Maragliano Jr. for Martini Companies, LLC; under negotiation: price and terms; to be heard in closed session pursuant to Government Code Section 54956.8]
- Motion: Authorize a new agricultural lease agreement with Martini Companies, LLC, for rice farming and related uses on portions of Metropolitan-owned real property in the Sacramento-San Joaquin Bay Delta known as Webb Tract according to the price and terms given in closed session.
- Presented by: Steven Johnson, Principal Real Estate Representative

In open session, Ms. Crosson introduced the item, and Mr. Johnson presented the committee with an overview of the new lease. His presentation included the Bay-Delta land use strategy, Delta Conservancy grant, and tenant solicitation.

The Committee met in closed session with its real property negotiators and gave direction to authorize a new agricultural lease agreement with Martini Companies, LLC, for rice farming

and related uses on portions of Metropolitan-owned real property in the Sacramento-San Joaquin Bay Delta known as Webb Tract, according to the price and terms given in closed session.

Director Bryant entered the meeting.

Director McMillan left the meeting.

Director McCoy entered the meeting.

5. COMMITTEE ITEMS (INFORMATION FOR BOARD CONSIDERATION)

None

6. COMMITTEE ITEMS (INFORMATIONAL)

None

7. MANAGEMENT ANNOUNCEMENTS AND HIGHLIGHTS

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

No report was given.

8. FOLLOW-UP ITEMS

Director Paule requested additional information on grant funding.

Director Seckel requested additional information on the reserve policy.

9. FUTURE AGENDA ITEMS

None

10. ADJOURNMENT

The next meeting will be held on May 12, 2026.

The meeting adjourned at 10:49 a.m.

Marty Miller
Chair