

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**MINUTES**

**FINANCE AND ASSETT MANAGEMENT COMMITTEE**

**August 20, 2024**

Chair Smith called the meeting to order at 8:31 a.m.

Members present: Directors Alvarez, Armstrong, Bryant, De Jesus, Dennstedt, Dick, Fong-Sakai, McMillan, Miller, Pressman (entered after rollcall), Quinn (entered after rollcall), Seckel, and Smith.

Members absent: Director Petersen.

Other Members present: Ackerman, Erdman, Faessel, Goldberg, Goldberg, Kurtz, Lefevre, Morris, and Ortega.

Committee Staff present: Beatty, Benson, Crosson, Chapman, Kasaine, Ros, Upadhyay, and Wheeler.

- 1. OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE COMMITTEE ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION**  
Justin Breck, Los Angeles Waterkeepers commented on item 8-3.

**CONSENT CALENDAR ITEMS — ACTION**

- 2. CONSENT CALENDAR OTHER ITEMS-ACTION**

- A. Subject: Approval of the Minutes of the Finance, Audit, Insurance, and Real Property Committee Meeting for July 9, 2024

**3. CONSENT CALENDAR ITEMS – ACTION**

- 7-7      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 this 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 and/or remarketing of bonds.

No Presentation was given.

- 7-8      Subject:            Review and consider the Lead Agency’s adopted Mitigated Negative Declaration and take related CEQA actions, and adopt resolution for 115th Fringe Area Annexation to Eastern Municipal Water District and Metropolitan
- Motion:                Review and consider the Lead Agency’s adopted Mitigation Negative Declaration and take related CEQA actions; and adopt resolution for the 115th Fringe Area Annexation to Eastern Municipal Water District and Metropolitan.

No Presentation was given.

The following Director provided comments or asked questions:

1. Miller

Staff responded to the Director’s comments and questions.

Director Dennstedt made a motion, seconded by Director Bryant, to approve the consent calendar consisting of items 2A, 7-7, and 7-8.

The vote was:

Ayes: Directors Alvarez, Armstrong, Bryant, De Jesus, Dennstedt, Dick, Fong-Sakai, McMillan, Miller, Seckel, and Smith.  
Noes: None  
Abstentions: None  
Absent: Directors Petersen, Pressman, and Quinn.

The motion for items 2A, 7-7, 7-8 passed by a vote of 11 ayes, 0 noes, 0 abstain, and 3 absent.

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

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

8-2 Subject: Adopt the Twenty-Sixth Supplemental Resolution to the Master Bond Resolution authorizing the issuance of up to \$425 million of Water Revenue and Refunding Bonds, 2024 Series; providing the terms and conditions for the sale and issuance of the Bonds; and approve expenditures to fund the costs of issuance of the Bonds; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Motion: a. Adopt the Twenty-Sixth Supplemental Resolution to the Master Bond Resolution authorizing the issuance of up to \$425 million of Water Revenue and Refunding Bonds, 2024 Series, and providing the terms and conditions for the sale and issuance of the Bonds; and  
b. Approve approximately \$1.2 million for the payment of the costs of issuance of the Water Revenue Bonds to be paid from bond proceeds or Metropolitan funds.

Presented by: Sam 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. His presentation also included ad valorem tax background and historical property tax rate.

The following Directors provided comments or asked questions:

1. Smith
2. Miller
3. Fong-Sakai
4. Pressman
5. Armstrong
6. Seckel
7. Erdman
8. Ortega

Staff responded to the Directors' comments and questions.

After completion of the presentation, Director Armstrong made a motion, seconded by Director Bryant, to approve item 8-3.

The vote was:

Ayes: Directors Alvarez, Armstrong, Bryant, De Jesus, Dennstedt, Dick, Fong-Sakai, McMillan, Miller, Pressman, Quinn, Seckel, and Smith.  
Noes: None  
Abstentions: None  
Absent: Director Petersen.

The motion for item 8-3 passed by a vote of 13 ayes, 0 noes, 0 abstain, and 1 absent.

## **5. BOARD INFORMATION ITEMS**

5H Subject: Report on list of certified assessed valuations for fiscal year 2024/25 and tabulation of assessed valuations, percentage participation, and vote entitlement of member agencies as of August 20, 2024

No presentation was given.

## 6. COMMITTEE ITEMS

a. Subject: Financing Overview for Bond Issuance (SB 450)

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

Ms. Kasaine introduced the item and Mr. Smalls presented the committee with an overview of SB 450 reporting mandate, SB 450 requirements, and the Water Revenue Refunding bonds, 2024 series C.

The following Director provided comments or asked questions:

1. Dick

Staff responded to the Directors' comments and questions.

b. Subject: Quarterly Financial Report

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

Ms. Kasaine introduced the item and Mr. Van den Berg presented the committee with Metropolitan's preliminary year-end financial review for the period ending June 30, 2024. The report included the financial performance for Fiscal Year 2023/24, cumulative water transactions, comparison of the budget to the full-year Fiscal Year 2023/24, and preliminary unrestricted reserves for fiscal year 2023/24.

The following Directors provided comments or asked questions:

1. De Jesus
2. Seckel
3. Pressman

Staff responded to the Directors' comments and questions.

## 7. MANAGEMENT ANNOUNCEMENTS AND HIGHLIGHTS

a. Subject: Financial and Asset Management Activities

Mr. Benson provided an overview of the updates made to the Treasurer's monthly report and finance activities report.

The following Director provided comments or asked questions:

1. Armstrong

Staff responded to the Director's comments and questions.

## **8. SUBCOMMITTEE REPORTS AND DISCUSSION**

- a. Subject: Report from Subcommittee on Long-Term Regional Planning  
Processes and Business Modeling

Director Seckel updated the committee on the items discussed at the July 24, 2024, Joint Task Force meeting.

- b. Subject: Discuss and provide direction to Subcommittee on Long Term  
Regional Planning Processes and Business Modeling

No direction was given.

## **9. FOLLOW-UP ITEMS**

Director Erdman requested a policy discussion on fixed and variable revenues.

## **10. FUTURE AGENDA ITEMS**

None

## **11. ADJOURNMENT**

The meeting adjourned at 10:12 a.m.

Tim Smith  
Chair