

The Metropolitan Water District of Southern California

Agenda

The mission of the Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

FAAME Committee

C. Miller, Chair
D. Alvarez, VC Budget
J. Armstrong
G. Bryant
B. Dennstedt
L. Fong-Sakai
J. McMillan
M. Petersen
B. Pressman
T. Quinn
K. Seckel

Finance, Affordability, Asset Management, and Efficiency Committee

Meeting with Board of Directors *

August 19, 2025

8:30 a.m.

Written public comments received by 5:00 p.m. the business day before the meeting is scheduled will be posted under the Submitted Items and Responses tab available here: <https://mwdh2o.legistar.com/Legislation.aspx>.

The listen-only phone line is available at 1-877-853-5257; enter meeting ID: 862 4397 5848.

Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via teleconference and in-person. To provide public comment by teleconference dial 1-833-548-0276 and enter meeting ID: 815 2066 4276 or to join by computer [click here](#).

Tuesday, August 19, 2025 Meeting Schedule

**08:30 a.m. FAAME
11:30 a.m. BREAK
12:00 p.m. OPE
02:00 p.m. BOD**

MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012

* The Metropolitan Water District's meeting of this Committee is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to this Committee may participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to this Committee will not vote on matters before this Committee.

- 1. Opportunity for members of the public to address the committee on matters within the committee's jurisdiction (As required by Gov. Code Section 54954.3(a))**

**** CONSENT CALENDAR ****

- 2. COMMITTEE ACTION (ONLY)**

- A. Approval of the Minutes of the Finance, Affordability, Asset Management, and Efficiency Committee Meeting for July 8, 2025 [21-4919](#)

Attachments: [08192025 FAAME 2A \(07082025\) Minutes](#)

3. COMMITTEE ITEMS (FOR BOARD CONSIDERATION)

- 7-5 Review and consider the California Public Utilities Commission Final Subsequent Environmental Impact Report and adopt the Commission's findings, and authorize the General Manager to grant a permanent easement to Southern California Edison for overhead electrical transmission purposes on Metropolitan fee-owned property in the County of Riverside and identified as Assessor Parcel Number 189-110-011 and 189-120-005; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [21-4891](#)

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

4. COMMITTEE ITEMS (ACTION FOR BOARD CONSIDERATION)

- 8-1 Adopt resolution establishing the Ad Valorem tax rate for fiscal year 2025/26; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [21-4888](#)
- 8-2 Authorize an increase of \$300,000 to an agreement with HydroFocus, Inc. for a new not-to-exceed total amount of \$455,000 for environmental monitoring services; [CEQA] [21-4879](#)
- 8-5 Adopt a resolution declaring approximately 5,497 acres of Metropolitan-owned real property in the Sacramento-San Joaquin Delta, 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, 026-070-006-7, 026-070-013-3, 026-070-012-5, 026-070-011-7, 026-070-010-9, 026-060-019-2, 026-060-018-4, 026-060-008-5, 026-090-007-7, 026-060-003-6, 026-060-015-0, 026-060-016-8, 026-060-017-6, and 026-060-005-1 as exempt surplus land under the Surplus Land Act; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [21-4889](#)

8-6 Authorize a new agricultural lease agreement with Bouldin Farming Company 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: John Winther dba Bouldin Farming Company; under negotiation: price and terms; to be heard in closed session pursuant to Government Code Section 54956.8] [21-4890](#)

8-7 Authorize a new agricultural lease agreement with Lundberg Family Farms for rice farming and related uses on portions of Metropolitan-owned real property in the Sacramento-San Joaquin Bay Delta known as Bacon Island; 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 5,600 gross acres in the area commonly known as Bacon Island, also identified as San Joaquin County Assessor Parcel Numbers: 129-050-01, 129-050-02, 129-050-03, 129-050-04, 129-050-05, 129-050-06, 129-050-07, 129-050-08, 129-050-09, 129-050-11, 129-050-12, 129-050-13, 129-050-14, 129-050-15, 129-050-16, 129-050-17, 129-050-18, 129-050-19, 129-050-24, 129-050-25, 129-050-26, 129-050-27, 129-050-28, 129-050-52, 129-050-54, 129-050-55, 129-050-56, 129-050-60; agency negotiators: Steven Johnson, Kevin Webb, and Kieran Callanan; negotiating parties: Anders Lundberg/Lundberg Family Farms; under negotiation: price and terms; to be heard in closed session pursuant to Government Code Section 54956.8] [21-4892](#)

5. COMMITTEE ITEMS (INFORMATIONAL FOR BOARD CONSIDERATION)

5H Report on list of certified assessed valuations for fiscal year 2025/26 and tabulation of assessed valuations, percentage participation, and vote entitlement of member agencies as of August 20, 2025 [21-4893](#)

9-3 Report on Proposed Agreement for Water Services with the Barona Band of Mission Indians, San Diego County Water Authority, and Ramona Municipal Water District [21-4895](#)

6. COMMITTEE ITEMS (INFORMATIONAL)

- a. Quarterly Financial Report [21-4917](#)
- b. Quarterly Investment Activities Report [21-4918](#)

7. MANAGEMENT ANNOUNCEMENTS AND HIGHLIGHTS

- a. Finance, Affordability, Asset Management, and Efficiency activities [21-4920](#)

8. FOLLOW-UP ITEMS**9. FUTURE AGENDA ITEMS****10. ADJOURNMENT**

NOTE: This committee reviews items and makes a recommendation for final action to the full Board of Directors. Final action will be taken by the Board of Directors. Committee agendas may be obtained on Metropolitan's Web site <https://mwdh2o.legistar.com/Calendar.aspx>. This committee will not take any final action that is binding on the Board, even when a quorum of the Board is present.

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site <https://mwdh2o.legistar.com/Calendar.aspx>.

Requests for a disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.

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