

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

FINANCE, AUDIT, INSURANCE, AND REAL PROPERTY COMMITTEE

January 9, 2023

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

Members present: Directors Alvarez, Armstrong (AB 2449 “just cause”), De Jesus, Dennstedt, Dick, Fong-Sakai, McMillan (entered after roll call), 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, Erdman, Faessel, Fellow, Goldberg, Kurtz, Morris, Ortega, and Peterson.

Director Armstrong indicated he is participating under AB 2449 “just cause” for an illness that prevents him from attending in person. Director Armstrong appeared by audio and on camera.

Director Armstrong announced during roll call that no one was in the room with them 18 years of age or older.

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

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 Finance, Audit, Insurance, and Real Property Committee Meeting for November 14, 2023 (Copies have been submitted to each Director, Any additions, corrections, or omissions)

3. OTHER MATTERS

6G Subject: Updated 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 January 9, 2024

Ms. Kasaine introduced the item.

4. CONSENT CALENDAR ITEMS – ACTION

Director Fong-Sakai pulled item 7-9 for discussion.

Director Dick recused himself on Item 7-9 as he currently owns stock in Verizon and would leave the room when that discussion takes place.

Director Miller recused himself on Item 7-9 as he currently owns stock in Verizon and would leave the room when that discussion takes place.

7-9 Subject: Authorize the General Manager to execute 47 license agreements to update the conditions and extend the term of existing secondary use agreements comprising Metropolitan fee owned parcels in Los Angeles, Orange, Riverside and San Bernardino counties; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA (Assessor Parcel Nos. 0201 821 49; 0239 182 46; 0262 051 21; 0262 071 40; 0264 011 31; 0266 041 59; 0643 221 06; 0643 221 06; 0643 221 07; 0646 081 07; 0649 031 06; 189 200 007; 2526 024 270; 291 480 008; 303 090 036; 390 151 19; 430 210 014; 430 190 028; 4493 014 906; 452 052 03; 516 030 013; 516 100 006; 5260 013 910; 6204 012 901; 6204 033 901; 6204 028 901; 6680 200 02; 6680 500 16; 811 100 007; 8666 059 904; 8381 006 906; 8381 006 909; 8381 019 900; 8381 020 902; 8381 020 903; 8381 023 901; 8381 030 902; 8381 030 903; 8381 036 906; 8381 036 905; 8669 013 901; 8684 008 270; 921 700 013; 922 110 022; Parcel on Fargo Canyon Road, Riverside)

Motion Authorize the General Manager to execute 47 license agreements to update the conditions and extend the term of existing secondary use agreements comprising Metropolitan fee-owned parcels in Los Angeles, Orange, Riverside and San Bernardino counties.

Presented by: Kevin Webb, Team Manager- Property Management

Ms. Crosson introduced the item and Mr. Webb presented the committee with an overview of replacing outdated agreements. His presentation also included an overview of the service area and CRA map, portfolio data, outdated terms, and key provisions.

The following Directors provided comments or asked questions:

1. Fong-Sakai
2. Dennstedt

Staff responded to the Directors' comments and questions.

Director McMillan entered the meeting.

Director Armstrong announced during roll call that no one was in the room with him 18 years of age or older.

After completion of the presentation, Director Dennstedt made a motion, seconded by Director Fong-Sakai, to approve item 7-9.

The vote was:

Ayes:	Directors Alvarez, Armstrong, De Jesus, Dennstedt, Fong-Sakai, McMillan, Pressman, Seckel, and Smith.
Noes:	None
Abstentions:	None
Not Voting:	None
Absent:	Directors Chacon, Dick, Miller, Petersen, and Quinn.

The motion for item 7-9 passed by a vote of 9 ayes, 0 noes, 0 abstain, and 5 absent.

7-10 Subject:	Review and consider the City of Rancho Cucamonga certified Final Environmental Impact Report and take related CEQA actions, and authorize the General Manager to grant a permanent easement to the City of Rancho Cucamonga for public road and trail purposes on Metropolitan fee-owned property in the City of Rancho Cucamonga and identified Assessor Parcel Numbers 022512301; 022512302; 022512303; 022512304
Motion	Review and consider the Final Environmental Impact Report certified by the city of Rancho Cucamonga and authorize the General Manager to grant a permanent easement to the city of Rancho Cucamonga for public road and trail purposes in the city of Rancho Cucamonga and identified Assessor Parcel Numbers 022-512-301; 022-512-302; 022-512-303; 022-512-304.

Presented by: No presentation was given.

The following Directors provided comments or asked questions:

1. Miller
2. Smith

Staff responded to the Directors' comments and questions.

Director Armstrong announced during roll call that no one was in the room with him 18 years of age or older.

Director Dennstedt made a motion, seconded by Director McMillan, to approve items 2A, 6G and 7-10.

The vote was:

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

Noes: None

Abstentions: None

Not Voting: None

Absent: Directors Chacon, Petersen, and Quinn.

The motion for item 2A, 6G, and 7-10 passed by a vote of 11 ayes, 0 noes, 0 abstain, and 3 absent.

END OF CONSENT CALENDAR ITEMS

5. OTHER BOARD ITEMS – ACTION

None

6. BOARD INFORMATION ITEMS

None

7. COMMITTEE ITEMS

- a. Subject: Business Continuity Update
Presented by: Jill Frater, Program Manager, Business Continuity

Ms. Kasaine introduced the item and Ms. Frater presented the committee with an overview of the business continuity management program. Her presentation included disaster phases and relationships, emergency management organization, objectives, program governance, lifecycle, key accomplishments, and roadmap.

The following Directors provided comments or asked questions:

1. Seckel
2. Dennstedt
3. Ortega

Staff responded to the Directors' comments and questions.

Director Quinn entered the meeting.

Chair Smith announced that there would be a reordering of the meeting agenda. Item 7c would be heard before item 7b.

- c. Subject: Annual Comprehensive Financial Report for FY 22/23
Presented by: Bernadette Robertson, Controller

Ms. Kasaine introduced the item and Ms. Robertson presented the committee with an overview of the Annual Comprehensive Financial Report for FY 22/23. Her presentation included an analysis of the balance sheet trends.

The following Directors provided comments or asked questions:

1. Erdman
2. Fong Sakai
3. De Jesus
4. Smith
5. Dennstedt
6. Armstrong

Staff responded to the Directors' comments and questions.

Director Pressman entered the meeting and announced his vote for items 2A, 6G, 7-9, and 7-10.

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

- b. Subject: 2023 Long-Range Finance Plan Needs Assessment
- Presented by: Katano Kasaine, Assistant General Manager/Chief Financial Officer
Adam Benson, Group Manager, Finance

Ms. Kasaine introduced the item and presented the committee with the CFO report that overviewed future agenda items. Mr. Benson continued the presentation with a summary of comments and questions received from Member Agencies.

The following Directors provided comments or asked questions:

1. Smith
2. Ortega
3. Seckel
4. Goldberg
5. Dick
6. Ortega
7. Peterson

Staff responded to the Directors' comments and questions.

- d. Subject: Diamond Valley Lake Recreation Update
- Presented by: Sam Ticas, Program Manager-Real Property

Mr. Chapman introduced the item and Mr. Ticas presented the committee with an overview of the Diamond Valley Lake recreation program and background. His presentation included capital funding strategy, recreation area map, recreation amenities, partners, and future capital projects.

The following Directors provided comments or asked questions:

1. Peterson
2. Faessel
3. Miller
4. Armstrong
5. Bryant
6. Dick
7. Kurtz
8. Dennstedt

Staff responded to the Directors' comments and questions.

8. MANAGEMENT ANNOUNCEMENTS AND HIGHLIGHTS

- a. Subject: General Auditor's Report on Monthly Activities

Mr. Suzuki updated the committee on the General Auditor's activities, which included the status of various projects, recruitment for Senior Audit Manager, and upcoming items at the Subcommittee on Audits.

- b. Subject: Financial, Insurance, and Real Property Activities

Ms. Kasaine presented her CFO report during item 7b.

Ms. Crosson provided an update on the Request for Proposal issued for renewable energy at the Mesa property in Palo Verde Irrigation District.

9. SUBCOMMITTEE REPORTS AND DISCUSSION

- a. Subject: Discuss and provide direction to Subcommittee on Audits

No direction was given.

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

Director Seckel updated the committee on the items discussed at the December 19, 2023, Joint Task Force meeting.

10. FOLLOW-UP ITEMS

None

11. FUTURE AGENDA ITEMS

Director Erdman requested a future item to discuss pension cost and funding levels for CALPERS and use of an IRC Section 115 trust.

12. ADJOURNMENT

The next meeting will be held on February 12, 2024.

The meeting adjourned at 10:55 a.m.

Timothy Smith
Chair