

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

FINANCE AND ASSETT MANAGEMENT COMMITTEE

July 9, 2024

Board Vice Chair Goldberg called the meeting to order at 8:30 a.m.

Members present: Directors Alvarez, Armstrong, Bryant, De Jesus, Dennstedt, McMillan, Miller, Pressman (teleconference posted location), Quinn (entered after rollcall), and Seckel.

Members absent: Directors Dick, Fong-Sakai, Petersen, and Smith.

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

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

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 June 11, 2024

3. CONSENT CALENDAR ITEMS – ACTION

- 7-9 Subject: Authorize the General Manager to grant a Permanent Easement to San Diego Gas & Electric for natural gas pipeline purposes on Metropolitan fee-owned property in the County of San Diego and identified as Assessor Parel Number 102-650-065; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Motion: Authorize the General Manager to grant a permanent easement to San Diego Gas & Electric for natural gas pipeline purposes on Metropolitan fee-owned property in the County of San Diego and identified as Assessor Parcel Number 102-650-065

No Presentation was given.

7-11 Subject: Authorize an additional six-month term to the existing agreement with Public Financial Management Asset Management for investment management services in an amount not to exceed \$250,000; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Motion: Authorize an additional six-month term to the existing agreement with PFMAM for investment management services in an amount not to exceed \$250,000.

No Presentation was given.

The following Director provided comments or asked questions:

1. Miller

Staff responded to the Director's comments and questions.

Director Bryant made a motion, seconded by Director Dennstedt, to approve the consent calendar consisting of items 2A, 7-9, and 7-11.

The vote was:

Ayes: Directors Alvarez, Armstrong, Bryant, De Jesus, Dennstedt, McMillan, Miller, Pressman, and Seckel.

Noes: None

Abstentions: None

Absent: Directors Dick, Fong-Sakai, Petersen, Quinn, and Smith.

The motion for items 2A, 7-9, 7-11 passed by a vote of 9 ayes, 0 noes, 0 abstain, and 5 absent.

END OF CONSENT CALENDAR ITEMS

5. OTHER CONSENT ITEMS – ACTION

8-4 Subject: Authorize the execution of an amendment to an existing lease with Nish Noroian Farms to increase the size of the leased premises from 759 acres to 1,760 acres of Metropolitan’s fee-owned land in the Palo Verde Valley in Riverside County, California, and to make necessary associated changes. The additional proposed leasehold parcels are commonly known as Riverside County Assessor Parcels Numbers 833-060-004; 833-060-008; 833-060-018; 833-100-005; 833-100-007; 833-100-011; 833-100-012; 833-100-016; 833-100-017; 833-060-001; 833-060-024; 833-060-025; 827-190-003; 827-190-004; 827-190-005; 827-190-006; 827-190-007; 827-190-009; 827-190-010; 827-190-012; 833-060-026; 006-090-008; 006-090-009; 006-090-010; 006-090-011; 006-090-012; 006-090-013; 006-090-029; 006-120-082; 006-120-089; 006-150-065; 006-220-057. The General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [Conference with real property negotiators; agency negotiators: Kevin Webb and Kieran Callanan; negotiating parties: Linda D. Noroian dba Nish Noroian Farms; under negotiation: price and terms; to be heard in closed session pursuant to Government Code Section 54956.8]

Motion: Authorize the execution of an amendment to an existing lease with Nish Noroian Farms to increase the size of the leased premises from 759 acres to 1,760 acres of Metropolitan’s fee-owned land in the Palo Verde Valley in Riverside County, California, and to make necessary associated changes.

Presented by: Kevin Webb, Team Manager-Property Management

In open session, Ms. Crosson introduced the item and Mr. Webb provided an overview of the service area and CRA map, Palo Verde fee-owned lands, and combined premises. His presentation also included an overview of the existing lease, existing rent, and rent reduction.

Directors Camacho and Gray entered the meeting.

The following Directors provided comments or asked questions:

1. De Jesus
2. Miller
3. Alvarez
4. Seckel
5. Dennstedt

Staff responded to the Directors' comments and questions.

After completion of the presentation, Director De Jesus made a motion, seconded by Director Bryant, to approve item 8-4.

The vote was:

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

The motion for items 8-4 passed by a vote of 9 ayes, 0 noes, 0 abstain, and 5 absent.

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

- a. Subject: Update on Financial Conditions and Metrics
Presented by: Sam Smalls, Manager of Treasury and Debt Management
Arnout Van den Berg, Section Manager – Rates and Budget

Ms. Kasaine introduced the item and Mr. Smalls presented the committee with an overview of the investment portfolio and debt program. Mr. Van den Berg provided an overview of the adopted FY24/25 and 25/26 budget.

Director Quinn entered the meeting.

The following Directors provided comments or asked questions:

1. Armstrong
2. Ortega
3. De Jesus
4. Seckel
5. Dennstedt
6. Quinn
7. Miller
8. Goldberg

Staff responded to the Directors' comments and questions.

7. MANAGEMENT ANNOUNCEMENTS AND HIGHLIGHTS

- a. Subject: Financial and Asset Management Activities

Mr. Benson announced the finance activities report was posted.

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 June 26, 2024, Joint Task Force meeting.

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

The following Directors provided comments or asked questions:

1. Seckel
2. Armstrong
3. Dennstedt
4. McMillan
5. Ortega

Director Seckel suggested postponing the business model discussion for a month if staff needs more time.

Director Dennstedt agreed with Director Seckel and commented that the delay would allow the Member Agency General Managers an opportunity to provide input.

9. FOLLOW-UP ITEMS

None

10. FUTURE AGENDA ITEMS

None

11. ADJOURNMENT

The next meeting will be held on August 20, 2024.

The meeting adjourned at 10:17 a.m.

Gail Goldberg
Board Vice Chair