

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
MINUTES

FINANCE, AFFORDABILITY, ASSET MANAGEMENT, AND EFFICIENCY
COMMITTEE

March 10, 2026

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

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

Members absent: Director Petersen.

Other Members present: Ackerman, Cordero, De Jesus, Denham, Erdman, Faessel, Fellow, Garza, Gold, Gray, Katz, Kurtz, Ortega, Ramos, Shepherd Romey, 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

None

CONSENT CALENDAR ITEMS – ACTION

2. COMMITTEE ACTION (ONLY)

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

3. COMMITTEE ITEMS (FOR BOARD CONSIDERATION)

None

Director Bryant made a motion, seconded by Director Seckel, to approve the consent calendar consisting of item 2A.

The vote was:

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

Noes: None

Abstentions: None

Absent: Directors Petersen and Quinn.

The motion for item 2A 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)

None

5. COMMITTEE ITEMS (INFORMATION FOR BOARD CONSIDERATION)

None

6. COMMITTEE ITEMS (INFORMATIONAL)

a. Subject: Quarterly Financial Report

Presented by: Khanh Phan, Unit Manager -Rates, Charges & Financial Planning

Ms. Kasaine introduced the item, and Ms. Phan provided a summary of the second quarter financial results and forecast, as well as an update on Fiscal Year 2025/26 revenue generation.

The following Directors provided comments or asked questions:

1. Garza
2. Miller
3. Ortega

Staff responded to the Directors' comments and questions.

7. MANAGEMENT ANNOUNCEMENTS AND HIGHLIGHTS

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

No report was given.

8. BOARD WORKSHOP ITEM

- a. Subject: Proposed biennial budget, which includes the Capital Investment Plan and revenue requirements for fiscal years 2026/27 and 2027/28; proposed water rates and charges for calendar years 2027 and 2028 to meet revenue requirements for fiscal years 2026/27 and 2027/28; ten-year financial forecast; and Cost of Service Report (Workshop 3)

Presented by: Adam Benson, Group Manager-Finance & Administration
Arnout Van den Berg, Section Manager-Revenue & Budget

Ms. Kasaine introduced the item, after which Mr. Van den Berg provided the committee with an overview of the updated assumptions and alternatives. Mr. Benson then presented a summary of the unrestricted reserves, PAYGO, and staffing.

Lastly, Ms. Kasaine provided an overview of the next steps.

Mr. Van den Berg also noted that a letter from the San Diego Water Authority, dated March 1, 2026, was received commenting on this item. This letter will be made part of the record.

Director Quinn entered the meeting.

The following Directors provided comments or asked questions:

1. Crane
2. Garza
3. Seckel
4. Miller
5. Jay
6. Sutley
7. Ortega
8. Pressman
9. Dennstedt
10. Kurtz
11. Alvarez
12. Faessel
13. De Jesus

- 14. Bryant
- 15. Fong-Sakai
- 16. Paule
- 17. Denham
- 18. Katz

Staff responded to the Directors' comments and questions.

Director Sutley noted that a letter from the City of Los Angeles, dated March 9, 2026, was submitted commenting on item 8a. This letter will be made part of the record.

8. FOLLOW-UP ITEMS

Director Seckel requested staff prepare alternative 4A that includes the Ad Valorem tax at 0.0105, maintain conservation at \$30.5 million, Pure Water Southern California (PWSC) project limited to the grant funding portion for the biennial but removed from the 10-year forecast for the outer years, and refine staffing.

Chair Ortega requested staff to look at an option without the Delta Conveyance Project and PWSC. He also requested that staff assess selling two of the Delta Islands.

Director Miller asked staff for a bare bones budget and a reduction in staffing requests from 105 to 87 positions.

Director Denham requested that staff the percentage of the total workforce that is retirement eligible or age 50 and over.

9. FUTURE AGENDA ITEMS

None

10. ADJOURNMENT

The next meeting will be held on April 14, 2026.

The meeting adjourned at 11:27 a.m.

Marty Miller
Chair