

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

AJOURNED FINANCE AND INSURANCE COMMITTEE

August 15, 2022

Vice Chair Record called the teleconference meeting to order at 9:30 a.m.

Members present: Vice Chair Record, Directors Blois, Dennstedt, Dick, Faessel, Goldberg, Hawkins, Ortega, Smith and Tamaribuchi

Members absent: Directors Jung, Quinn, and Ramos.

Other Board Members present: Chairwoman Gray, Directors Abdo, Ackerman, Atwater, De Jesus, Erdman, Fellow, Fong-Sakai, Kurtz, Lefevre, McCoy, Miller, Morris, Peterson, and Pressman.

Committee Staff present: Beatty, Hagekhalil, Kasaine, Ros, Scully, Upadhyay.

1. OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE COMMITTEE ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION

None

2. OTHER MATTERS

5G. Subject: Report on list of certified assessed valuations for fiscal year 2022/23 and tabulation of assessed valuations, percentage participation, and vote entitlement of member agencies as of August 16, 2022

Presented By: Samuel Smalls, Manager of Treasury and Debt Management

Ms. Kasaine introduced the item and Mr. Smalls presented the committee with an update of the current assessed valuations. There were no changes to Director entitlements for each Member Agency relative to last fiscal year. The vote entitlement for fiscal year 2022/23 meets the minimum requirement established by Assembly Bill No. 1220. Vote entitlements had modest changes among Member Agencies, ranging from +0.18% to -0.15%.

CONSENT CALENDAR ITEMS — ACTION

3. CONSENT CALENDAR OTHER ITEMS – ACTION

- A. Subject: Approval of the Minutes of the Finance and Insurance Committee held June 13, 2022

4. CONSENT CALENDAR ITEMS – ACTION

- 7-1 Subject: Adopt resolution establishing the tax rate for fiscal year 2022/23; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA
- Motion: a. Adopt the Resolution Levying Ad Valorem Property Taxes for the Fiscal Year Commencing July 1, 2022 and ending June 30, 2023 for the Purposes of The Metropolitan Water District of Southern California (Attachment 1), maintaining the tax rate at .0035 percent of assessed valuation, the same rate levied in FY 2021/22.
- b. Direct staff to transmit that resolution to the county auditors for the levy and collection of the ad valorem property tax.

Presented by: Samuel Smalls, Manager of Treasury & Debt Management

Ms. Kasaine introduced the item and noted that a letter, dated August 14, 2022, was received from the San Diego County Water Authority commenting on Item 7-1. This letter will be made part of the record. Mr. Smalls presented the committee with an overview of the tax rate process, ad valorem tax background, historical property tax rate, and the current ad valorem tax rate.

The following Directors provided comments or asked questions:

1. Goldberg
2. Ortega
3. Atwater

Staff responded to Directors' comments and questions.

After completion of the presentation, Director Ortega made a motion, seconded by Director Blois, to approve the consent calendar consisting of items 3A and 7-1.

The vote was:

- Ayes: Directors Blois, Dennstedt, Dick, Faessel, Goldberg, Hawkins, Ortega, Record, Smith and Tamaribuchi
- Noes: None
- Abstentions: None
- Absent: Directors Jung, Quinn, and Ramos

The motion for items 3A and 7-1 passed by a vote of 10 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: Quarterly Investment Activities Report
Presented by: Samuel Smalls, Manager of Treasury & Debt Management

Ms. Kasaine introduced the item and Mr. Smalls presented the committee with an overview of Metropolitan's investment activities portfolio through June 30, 2022. The report included credit quality, sector allocation, maturities, and earnings and returns.

- b. Subject: Quarterly Financial Report
Presented by: Bernadette Robertson, Controller

Ms. Kasaine introduced the item and Ms. Robertson presented the committee with Metropolitan's quarterly financial report for the period ending June 30, 2022. The report included cumulative water transactions in acre-feet, revenues, and expenses for fiscal year 2021/22. Ms. Robertson also reported on reimbursable costs and Operations & Maintenance costs for the Delta Conveyance Project through June 2022.

The following Director provided comments or asked questions:

1. Smith

Staff responded to Director comments and questions.

8. MANAGEMENT REPORTS

- a. Subject: Chief Financial Officer's report

Ms. Kasaine highlighted the financing results for 2022 Series A Bonds and 2022 Series B&C bonds. Her presentation included a summary of the credit ratings from Moody's, S&P and Fitch. Mr. Smalls continued the presentation with an overview of the marketing highlights which included market conditions, pricing, and achievements this financing season.

9. FOLLOW-UP ITEMS

None

10. FUTURE AGENDA ITEMS

Directors Ortega and Goldberg requested a written report on the timeline for the IRP, One Water implementation business plan and the long-term financing plan process.

Director Record responded that the General Manager will coordinate the workshop for these proposed items.

The Directors' requests are not within the scope of the Finance and Insurance Committee. The General Manager will agendaize these items for a later date.

11. ADJOURNMENT

Next meeting will be held on September 15, 2022.

Meeting adjourned at 10:46 a.m.

Randy Record

Vice Chair