

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

FINANCE AND INSURANCE COMMITTEE

June 13, 2022

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

Members present: Vice Chair Record, Directors Blois, Dennstedt, Jung, Ortega, Quinn, Ramos, Smith and Tamaribuchi

Members absent: Directors Dick, Faessel, Goldberg, and Hawkins.

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

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

CONSENT CALENDAR ITEMS — ACTION

2. CONSENT CALENDAR OTHER ITEMS – ACTION

- A. Subject: Approval of the Minutes of the Finance and Insurance Committee held May 9, 2022

3. CONSENT CALENDAR ITEMS – ACTION

- 7-3 Subject: Approve up to \$1.954 million to purchase insurance coverage for Metropolitan's Property and Casualty Insurance Program for fiscal year 2022/23; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA
- Motion: Approve up to \$1.954 million to purchase insurance coverage for Metropolitan's Property and Casualty Insurance Program to renew or replace all the expiring excess liability and specialty insurance policies, and reserve funds to allow for the purchase of a \$5 million limit cyber liability policy with a cost up to \$200,000 if it becomes available.

Presented by: Drew Boronkay, Unit Manager, Risk Management

Ms. Kasaine introduced the item and Mr. Boronkay presented the committee with an overview of the current Property and Casualty Insurance programs. His presentation included the cost estimates for this year's insurance renewal and premium comparison by fiscal year.

The following Directors provided comments or asked questions:

1. Dennstedt
2. Blois

Staff responded to Directors' comments and questions.

7-4 Subject: Approve Metropolitan's Statement of Investment Policy for fiscal year 2022/23, delegate authority to the Treasurer to invest Metropolitan's funds for fiscal year 2022/23; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA

Motion: Approve the Statement of Investment Policy for FY 2022/23, and delegate authority to the Treasurer to invest Metropolitan's funds for FY 2022/23.

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

Ms. Kasaine introduced the item and Mr. Smalls presented the committee with key changes between the Investment Policy for fiscal year 2021/22 and 2022/23.

After completion of the presentations, Director Dennstedt made a motion, seconded by Director Blois, to approve the consent calendar consisting of items 2A, 7-3 and 7-4.

The vote was:

Ayes: Directors Blois, Dennstedt, Jung, Ortega, Quinn, Ramos, Record, Smith and Tamaribuchi

Noes: None

Abstentions: None

Absent: Directors Dick, Faessel, Goldberg and Hawkins

The motion for items 2A, 7-3, and 7-4 passed by a vote of 9 ayes, 0 noes, 0 abstain, and 4 absent.

END OF CONSENT CALENDAR ITEMS

4. OTHER BOARD ITEMS – ACTION

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

- a. Subject: Update on Other Post-Employment Benefits
Presented by: Michael Schionning, Principal Consulting Actuary, Cheiron

Ms. Kasaine introduced the item and Mr. Schionning presented the committee with an overview of the valuation results that included memberships, funded status, changes in unfunded actuarial liability, contribution, and projections.

- b. Subject: Financing Overview for Bond Issuance
Presented by: Samuel Smalls, Manager of Treasury & Debt Management

Ms. Kasaine introduced the item and Mr. Smalls presented the committee with an overview of SB 450 requirements and the two bond transactions expected to close in August.

The following Directors provided comments or asked questions:

1. Smith
2. Blois
3. Erdman

Staff responded to Directors' comments and questions.

7. MANAGEMENT REPORT

- a. Subject: Chief Financial Officer's report

Ms. Kasaine highlighted that S&P, Moody's and Fitch have affirmed Metropolitan's ratings at AAA, Aa1, AA+ respectively.

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

None

10. ADJOURNMENT

Next meeting will be held on August 15, 2022.

Meeting adjourned at 10:36 a.m.

Randy Record

Vice Chair