

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

ADJOURNED FINANCE AND INSURANCE COMMITTEE

August 16, 2021

Vice Chair Record called the teleconference meeting to order at 9:32 a.m.

Members present: Vice Chair Record, Directors Blois, Dick, Faessel, Goldberg, Jung, Ortega, Quinn, Ramos, Smith, and Tamaribuchi.

Members absent: Hawkins

Other Board Members present: Directors Abdo, Ackerman, Atwater, Butkiewicz, Dennstedt, Erdman, Fellow, Hogan, Kurtz, Lefevre, Morris and Peterson.

Committee Staff present: Atkins, Beatty, Hagekhalil, Kasaine, Scully, and 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 2021/22 and tabulation of assessed valuations, percentage participation, and vote entitlement of member agencies as of August 17, 2021

Presenter: Samuel Smalls, Manager of Treasury & 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 2021/22 meets the minimum requirement established by AB 1220. Vote entitlements had modest changes among sixteen Member Agencies, ranging from +0.08% to -0.07%.

CONSENT CALENDAR ITEMS — ACTION
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3. CONSENT CALENDAR OTHER ITEMS – ACTION

- A. Subject: Approval of the Minutes of the Meeting of the Finance and Insurance Committee held June 7, 2021

4. CONSENT CALENDAR ITEMS – ACTION

- 7-1 Subject: Adopt resolution establishing the tax rate for fiscal year 2021/22; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA
- Motion: Adopt resolution establishing the tax rate for fiscal year 2021/22
- Presented by: Samuel Smalls, Manager of Treasury & Debt Management

Ms. Kasaine introduced the item and Mr. Smalls presented the committee with an overview of the process by which the ad valorem tax rate is determined and adopted. The tax rate will continue to be maintained at 0.0035 percent as approved in the annual budget by the Board.

The following Director provided comments or asked questions:

1. Goldberg

Director Goldberg stated that the San Diego County Water Authority submitted a letter to Metropolitan on this item and requested it be entered into the record.

Staff responded to Director Goldberg's question.

After completion of the presentations, Director Dick 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, Dick, Faessel, Goldberg, Jung, Ortega, Quinn, Ramos, Record, Smith and Tamaribuchi
Noes:	None
Abstentions:	None
Absent:	Director Hawkins

The motion for items 3A and 7-1 passed by a vote of 11 ayes, 0 noes, 0 abstain, and 1 absent.

END OF CONSENT CALENDAR ITEMS

5. OTHER BOARD ITEMS – ACTION

None

6. BOARD INFORMATION ITEMS

None

7. COMMITTEE ITEMS

- a. Subject: Quarterly Financial Report
Presented by: Bernadette Robertson, Manager of Treasury and Debt Management

Ms. Kasaine introduced the item and Ms. Robertson presented the committee with the preliminary financial results for 2021. Water transactions and revenues were lower than budget but were offset by tax revenues that were higher than budget. Operating expenses were also lower than budget.

The following Directors provided comments or asked questions:

1. Smith
2. Ortega

Staff responded to Director questions and comments.

- b. Subject: Quarterly Investment Activities Report
Presented by: Sarah Meacham, PFM Asset Management LLC

Mr. Smalls introduced the item and Ms. Meacham presented the committee with an overview of Metropolitan's liquidity and core portfolios. She discussed the market environment and its impact on Metropolitan's credit quality, sector allocation, maturities, and total returns. Portfolios are performing well due to broad diversification and a long-term strategy that safely generates incremental earnings resulting in our investments beating the benchmark.

The following Director provided comments or asked questions:

1. Dennstedt

Ms. Meacham responded to Director questions and comments.

8. MANAGEMENT REPORT

- a. Subject: Chief Financial Officer's report

Ms. Kasaine stated that she had nothing to report. Mr. Smalls submitted to the committee that the investment policy had been compiled with input from the Legal Department to ensure compliance.

9. FOLLOW-UP ITEMS

None

10. FUTURE AGENDA ITEM

Director Ortega requested a list of non-budgeted items approved by the Board. Director Smith requested Metropolitan consider cost containment measures and explore new revenue streams to combat the reduction in income from lower water sales.

11. ADJOURNMENT

Next meeting will be held on September 13, 2021.

Meeting adjourned at 10:26 a.m.

Randy Record
Vice Chair