

The Metropolitan Water District of Southern California

Agenda

The mission of the Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

F&I Committee

B. Pressman, Chair
R. Record, Vice Chair
S. Blois
B. Dennstedt
L. Dick
S. Faessel
S. Goldberg
P. Hawkins
F. Jung
A. Ortega
T. Quinn
M. Ramos
T. Smith
S. Tamaribuchi

Finance and Insurance Committee

Meeting with Board of Directors *

November 7, 2022

9:30 a.m.

Live streaming is available for all board and committee meetings on mwdh2o.com ([Click Here](#))

A listen only phone line is also available at 1-877-853-5257; enter meeting ID: 831 5177 2466. Members of the public may present their comments to the Committee on matters within the committee's jurisdiction as listed on the agenda via in-person or teleconference. To participate via teleconference (833) 548-0276 and enter meeting ID: 815 2066 4276.

**Monday, November 7, 2022
Meeting Schedule**

**09:30 a.m. F&I
10:30 a.m. E&O
12:30 p.m. C&L
01:30 p.m. IW**

MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012

* The Metropolitan Water District's meeting of this Committee is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to this Committee may participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to this Committee will not vote on matters before this Committee.

1. Opportunity for members of the public to address the committee on matters within the committee's jurisdiction (As required by Gov. Code Section 54954.3(a))

**** CONSENT CALENDAR ITEMS -- ACTION ****

2. CONSENT CALENDAR OTHER ITEMS - ACTION

- A. Approval of the Minutes of the Finance and Insurance Committee Meeting for October 10, 2022 (Copies have been submitted to each Director, Any additions, corrections, or omissions) [21-1646](#)

Attachments: [11082022 FI 2A Minutes](#)

3. CONSENT CALENDAR ITEMS - ACTION

NONE

Zoom Online and Boardroom

**** END OF CONSENT CALENDAR ITEMS ****

4. OTHER BOARD ITEMS - ACTION

NONE

5. BOARD INFORMATION ITEMS

NONE

6. COMMITTEE ITEMS

- a. Quarterly Financial Report [21-1644](#)

Attachments: [11072022 FI 6a Presentation](#)

- b. Year-End Financial Report [21-1645](#)

Attachments: [11072022 FI 6b Presentation](#)

7. MANAGEMENT REPORTS

- a. Chief Financial Officer's Report [21-1647](#)

8. FOLLOW-UP ITEMS

NONE

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

NOTE: This committee reviews items and makes a recommendation for final action to the full Board of Directors. Final action will be taken by the Board of Directors. Agendas for the meeting of the Board of Directors may be obtained from the Board Executive Secretary. This committee will not take any final action that is binding on the Board, even when a quorum of the Board is present.

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site <http://www.mwdh2o.com>.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

FINANCE AND INSURANCE COMMITTEE

October 10, 2022

Chair Pressman called the teleconference meeting to order at 9:31 a.m.

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

Members absent: Directors Dick, Goldberg, and Hawkins.

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

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 Adjourned Finance and Insurance Committee held August 15, 2022

3. CONSENT CALENDAR ITEMS – ACTION

- 7-1 Subject: Adopt a resolution authorizing the reimbursement of capital expenditures from bond proceeds for fiscal years 2022/23 and 2023/24; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Motion: Adopt the resolution authorizing the reimbursement of capital expenditures from bond proceeds for FY 2022/23 and FY 2023/24 as contained in Attachment 1

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 purpose of the reimbursement resolution. His presentation included the Internal Revenue Service regulations regarding reimbursement, Metropolitan's need for the resolution of reimbursement, and planned capital expenditures for FY 2022/23 and 2023/24.

The following Directors provided comments or asked questions:

1. Smith
2. Pressman
3. Record
4. Fong-Sakai

Staff responded to Directors' comments and questions. Director Fong-Sakai separately requested answers to her questions that will be addressed in a future memo to the Directors.

After completion of the presentation, Director Faessel made a motion, seconded by Director Record, to approve the consent calendar consisting of items 2A and 7-1.

The vote was:

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

Noes: None

Abstentions: None

Absent: Directors Dick, Goldberg, and Hawkins.

The motion for items 2A and 7-1 passed by a vote of 11 ayes, 0 noes, 0 abstain, and 3 absent.

END OF CONSENT CALENDAR ITEMS

4. OTHER BOARD ITEMS – ACTION

None

5. BOARD INFORMATION ITEMS

9-2 Subject: Compliance with Fund Requirements and Bond Indenture Provisions

Ms. Kasaine introduced the item and Mr. Smalls gave a brief overview of the item.

6. COMMITTEE ITEMS

None

7. MANAGEMENT REPORTS

- a. Subject: Chief Financial Officer's report

No report was given.

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

None

10. ADJOURNMENT

The next meeting will be held on November 8, 2022.

Meeting adjourned at 10:00 a.m.

Barry Pressman

Chair



Finance & Insurance Committee

Quarterly Financial Review September 30, 2022

Item 6a

November 7, 2022

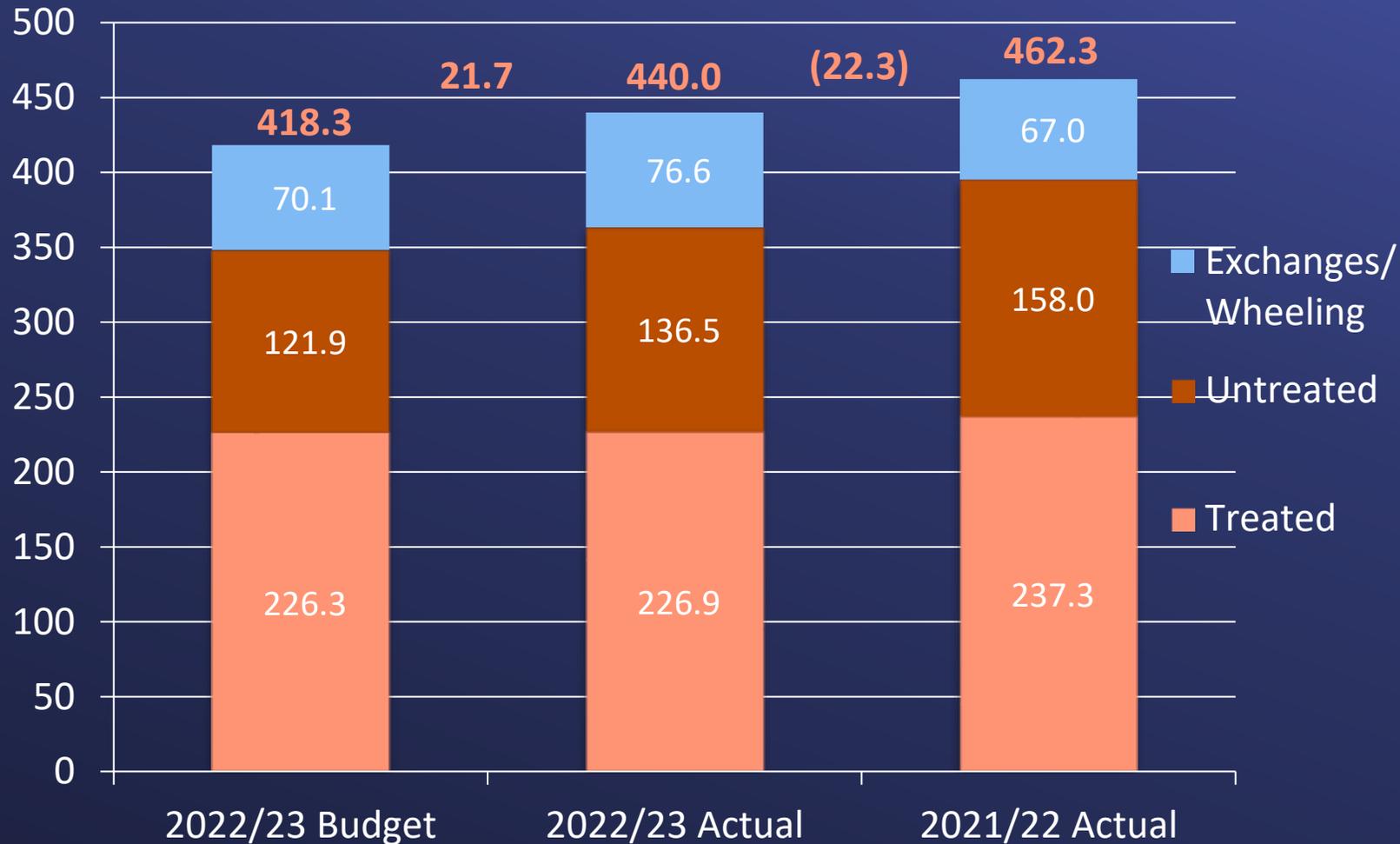
Cumulative Water Transactions⁽¹⁾ (AF in thousands)



⁽¹⁾ Includes Water Sales, Exchanges, and Wheeling from member agencies. Non-member agency transactions are excluded.

Water Transactions through September 2022⁽¹⁾

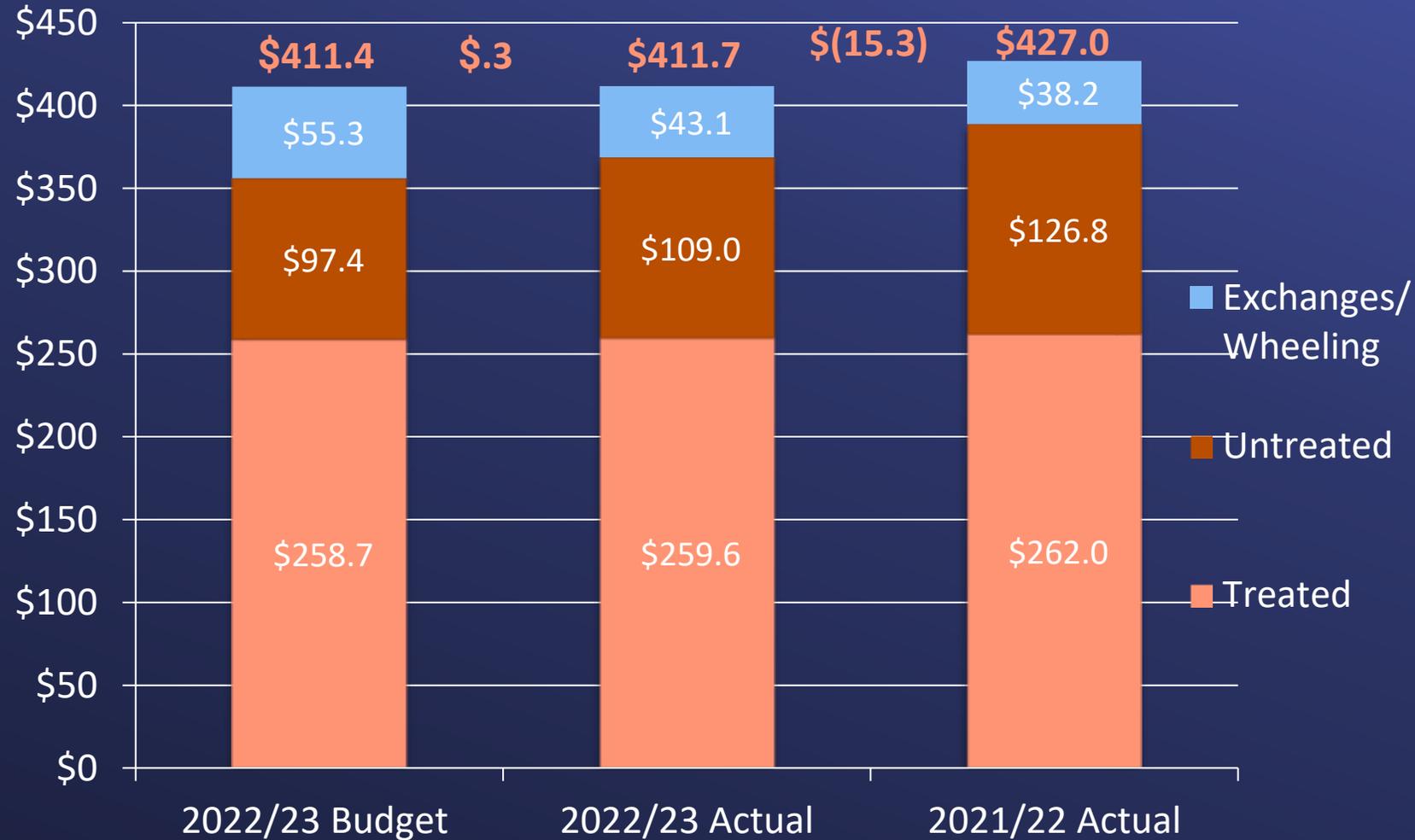
(AF in thousands)



⁽¹⁾ Includes Water Sales, Exchanges, and Wheeling from member agencies. Non-member agency transactions are excluded.

Water Revenues through September 2022⁽¹⁾

(\$ in millions)



⁽¹⁾ Includes Water Sales, Exchanges, and Wheeling from member and non-member agencies.

(\$ in millions)

FY 22/23 Revenues

September 30, 2022

	2022/23 Actual	2022/23 Projected	2022/23 Budget	Variance
Water	\$ 411.7	\$ 1,503.2	\$ 1,503.2	\$ -
RTS	11.7	147.0	147.0	-
Capacity Charge	4.8	38.7	38.7	-
Power	0.7	16.6	16.6	-
Taxes, net	15.5	163.1	163.1	-
Interest	3.9	6.5	6.5	-
Other	5.2	44.0	44.0	-
Total Revenues	\$ 453.5	\$ 1,919.1	\$ 1,919.1	\$ -

(\$ in millions)

FY 22/23 Expenses

September 30, 2022

	2022/23 Actual	2022/23 Projected	2022/23 Budget	Variance
State Water Contract	\$ 198.4	\$ 651.7	\$ 651.7	\$ -
Supply Programs	40.3	66.7	66.7	-
CRA Power Costs	48.6	105.9	105.9	-
Debt Service	183.1	288.0	288.0	-
Demand Management	17.9	50.8	50.8	-
Departmental O&M	194.5	586.1	586.1	-
PayGo	11.7	135.0	135.0	-
Delta Conveyance	9.0	30.0	30.0	-
Total Expenses	\$ 703.5	\$ 1,914.2	\$ 1,914.2	\$ -

(\$ in millions)

FY 22/23 Net Revenues

September 30, 2022

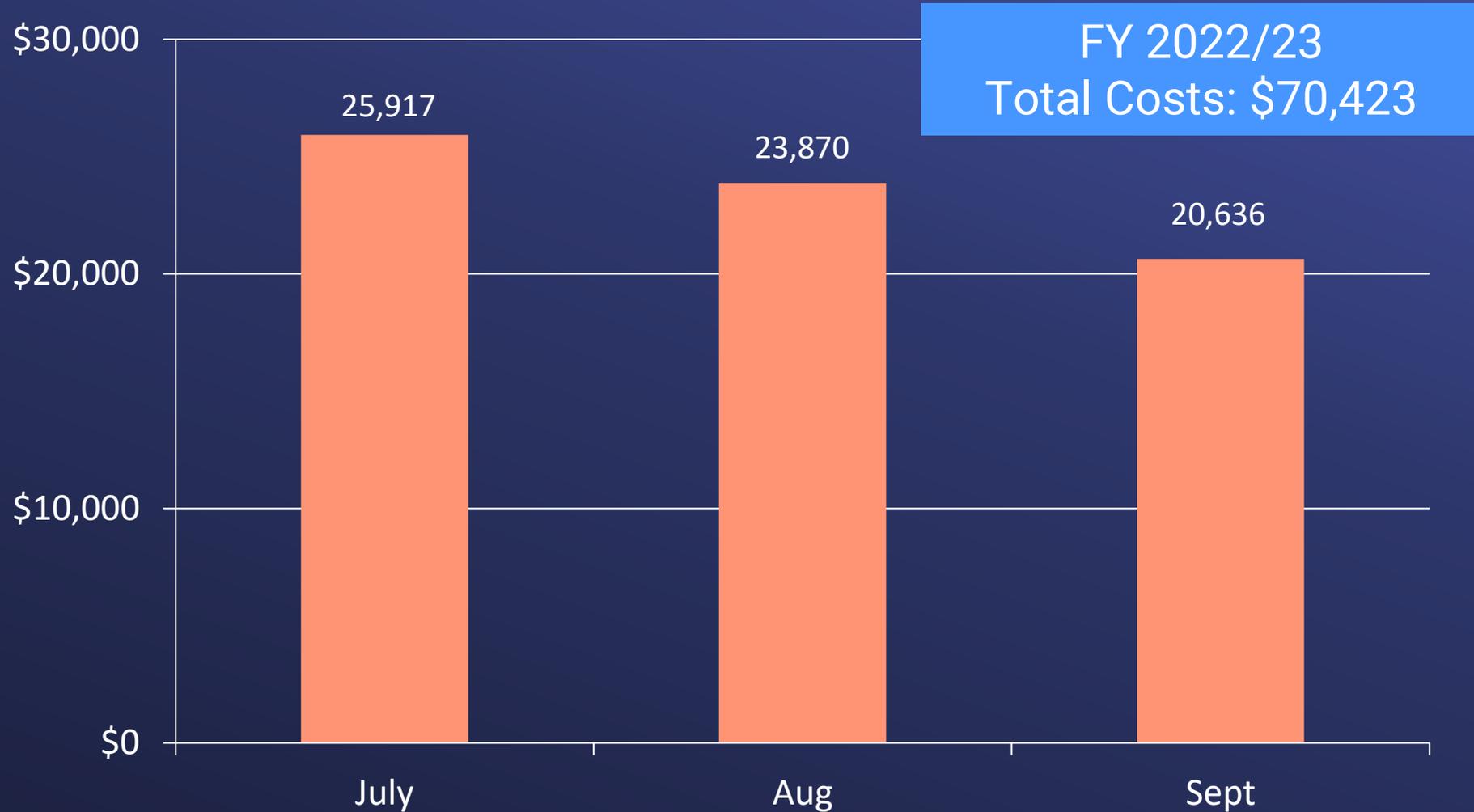
	Projected
Total Revenues	\$ 1,919.1
Total Expenses	<u>1,914.2</u>
Net Revenues	<u>\$ 4.9</u>

Delta Conveyance Project



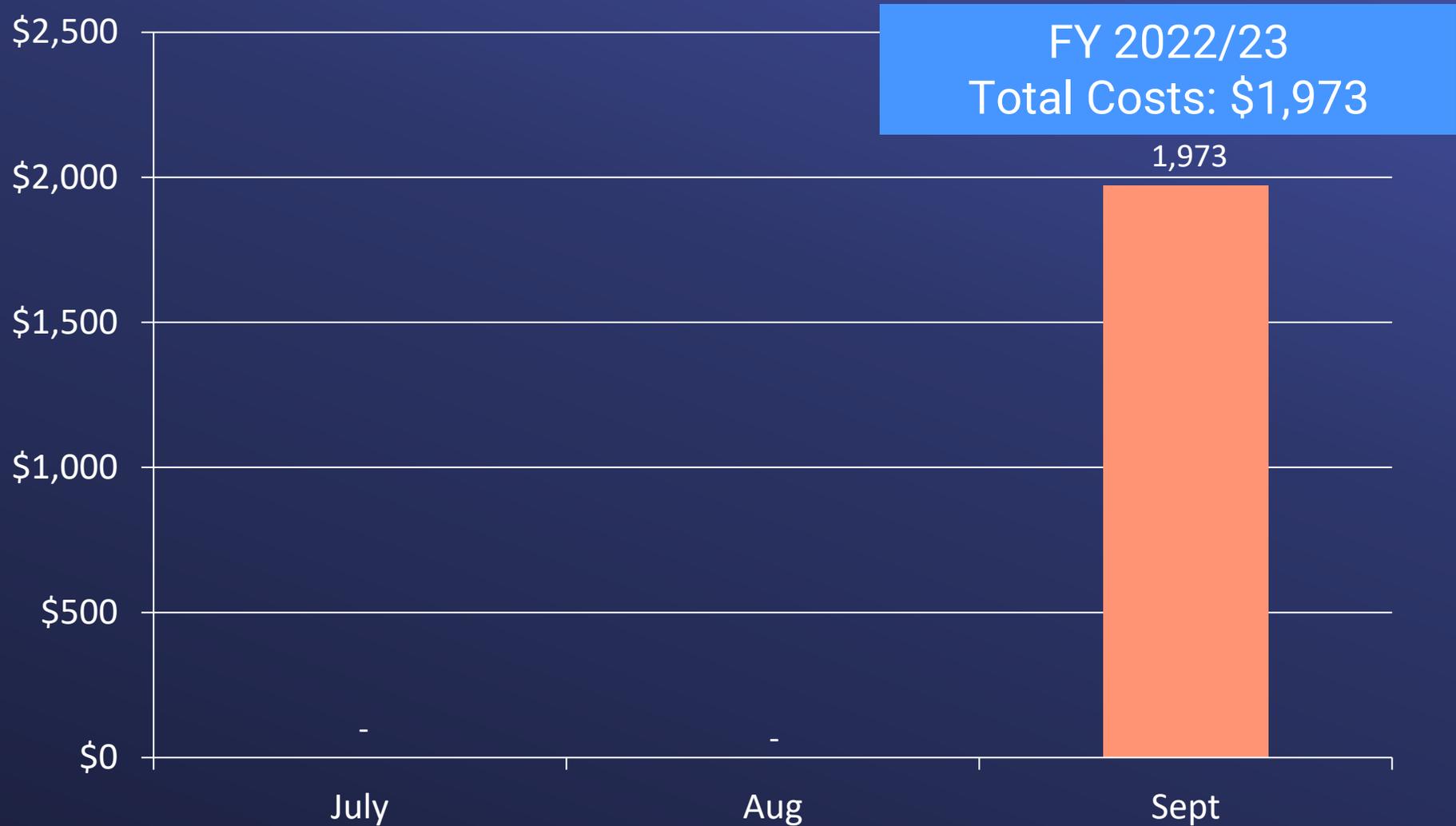
Metropolitan Reimbursable Costs

Fiscal Year 2022/23



Metropolitan O&M Costs for Delta Conveyance

Fiscal Year 2022/23







Finance & Insurance Committee

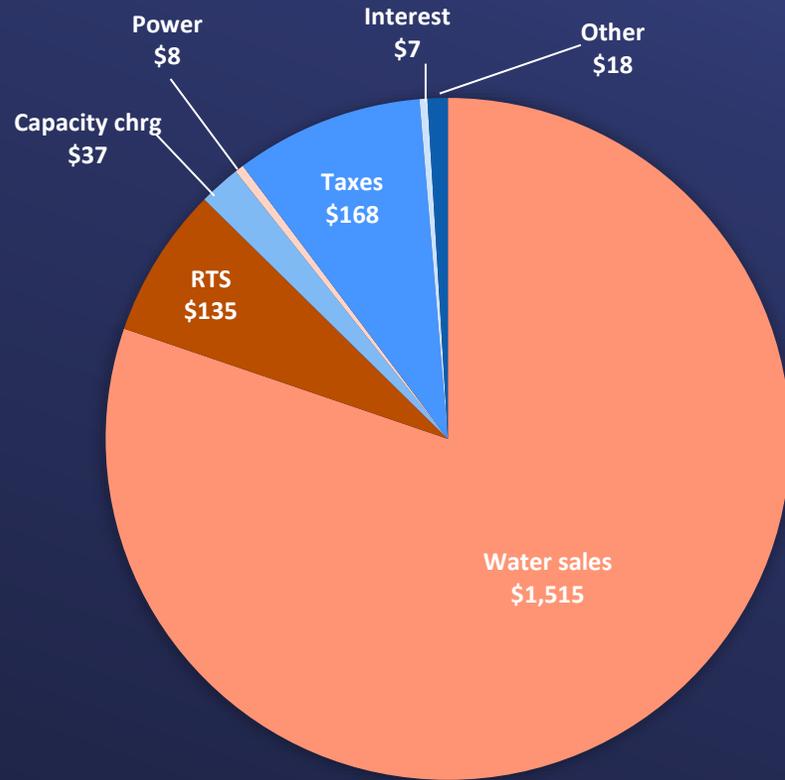
FY 2021/22 Year-end Financial Review

Item 6b

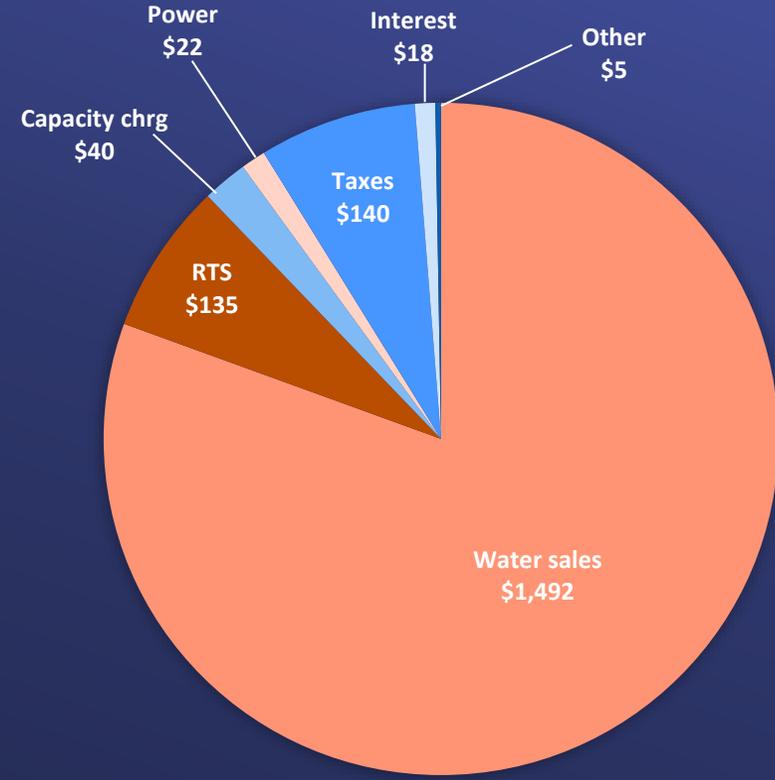
November 7, 2022

FY 2021/22 Revenues

(\$ in millions)



Actual
\$1,888

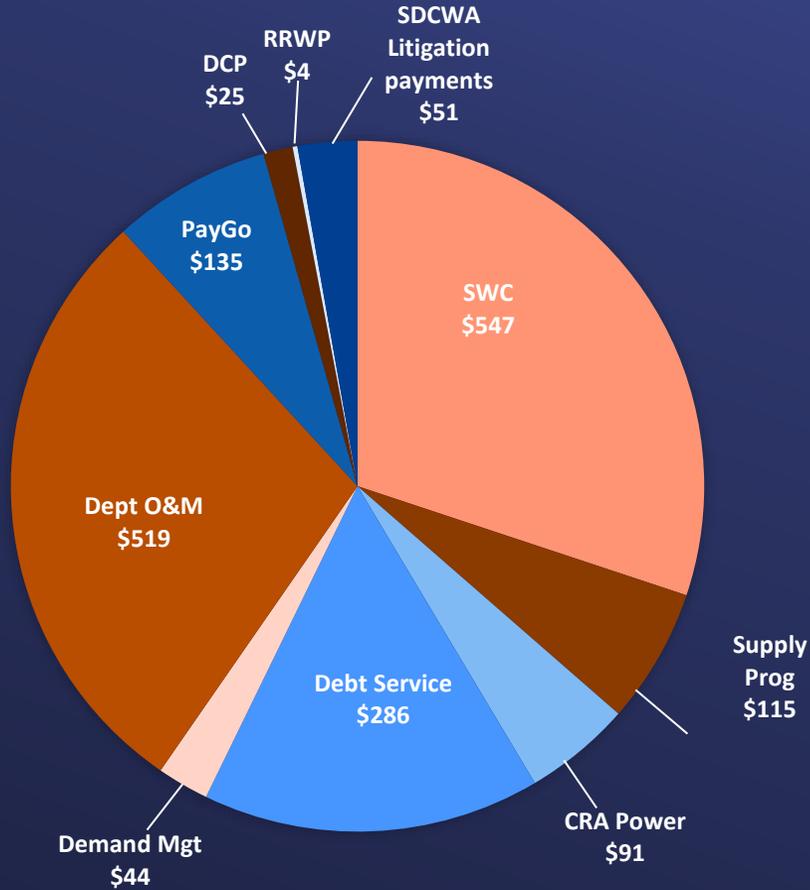


Budget
\$1,852

Variance
\$36

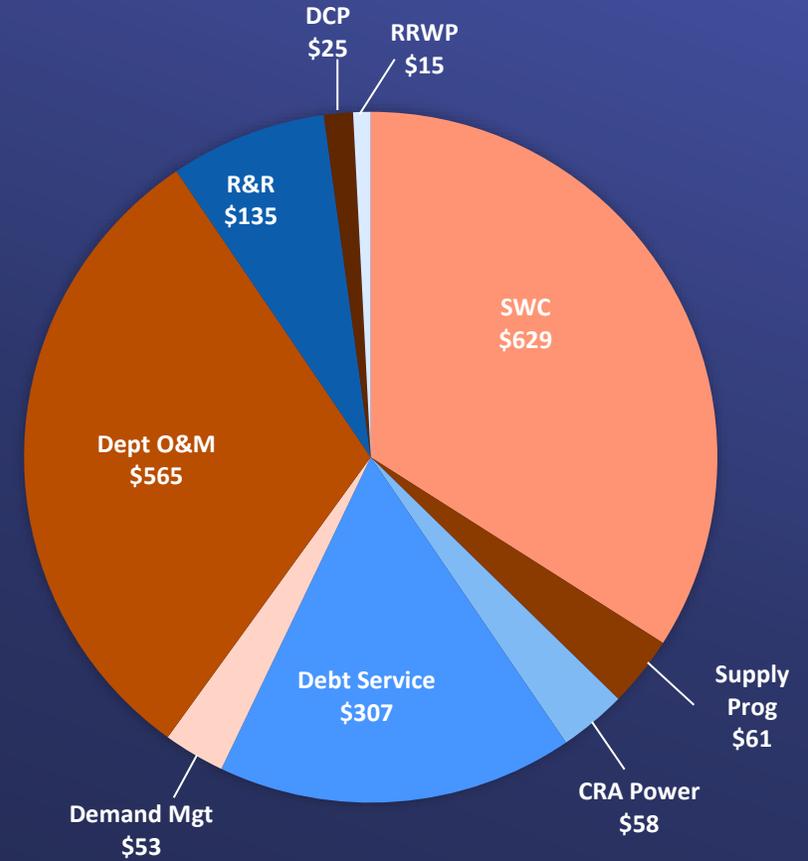
FY 2021/22 Expenses

(\$ in millions)



Actual
\$1,817

Variance
\$31



Budget
\$1,848

(\$ in millions)

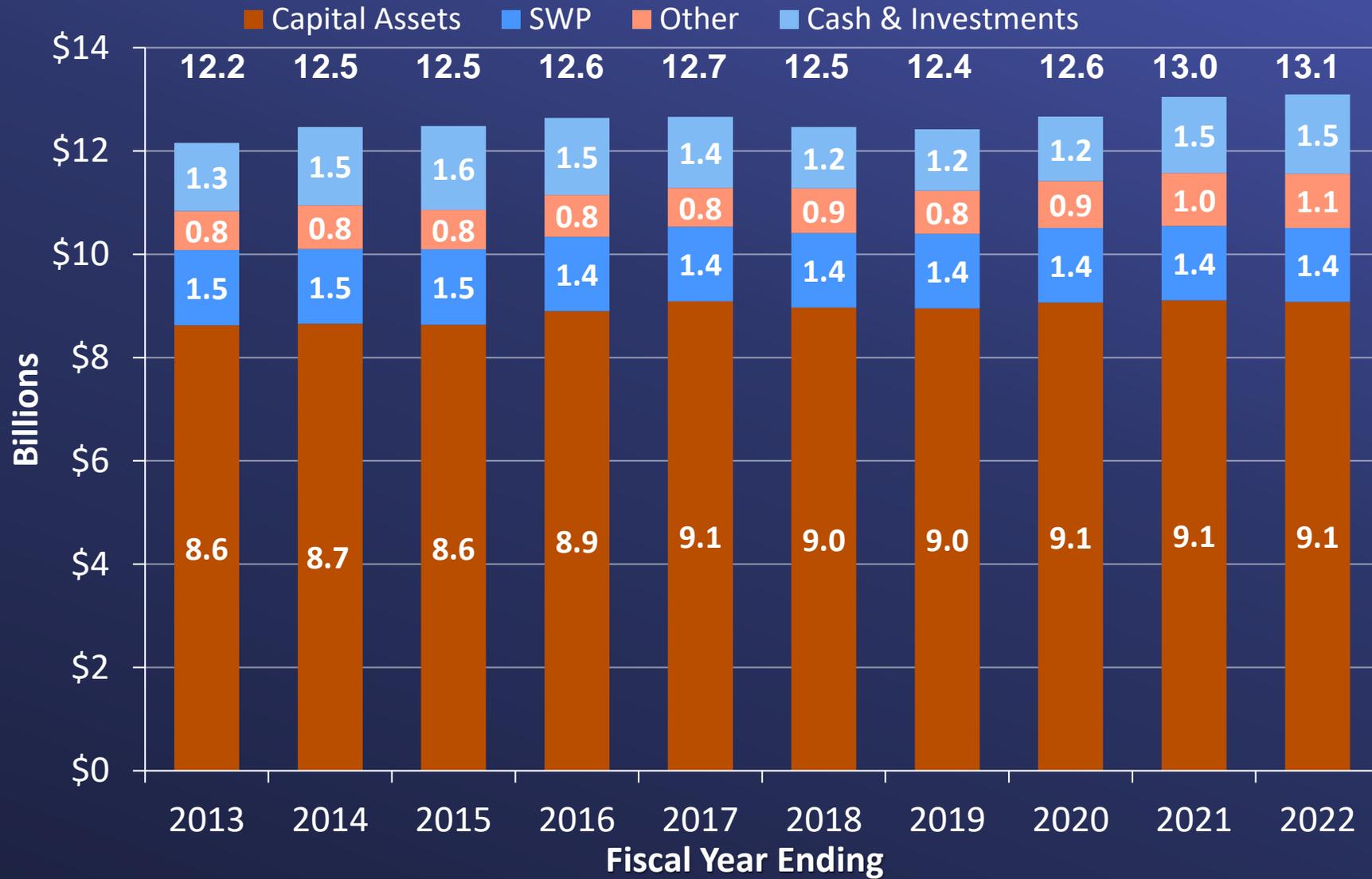
FY 21/22 Net Revenues

	Actual
Total Revenues	\$ 1,888
Total Expenses	<u>1,817</u>
Net Revenues	<u>\$ 71</u>

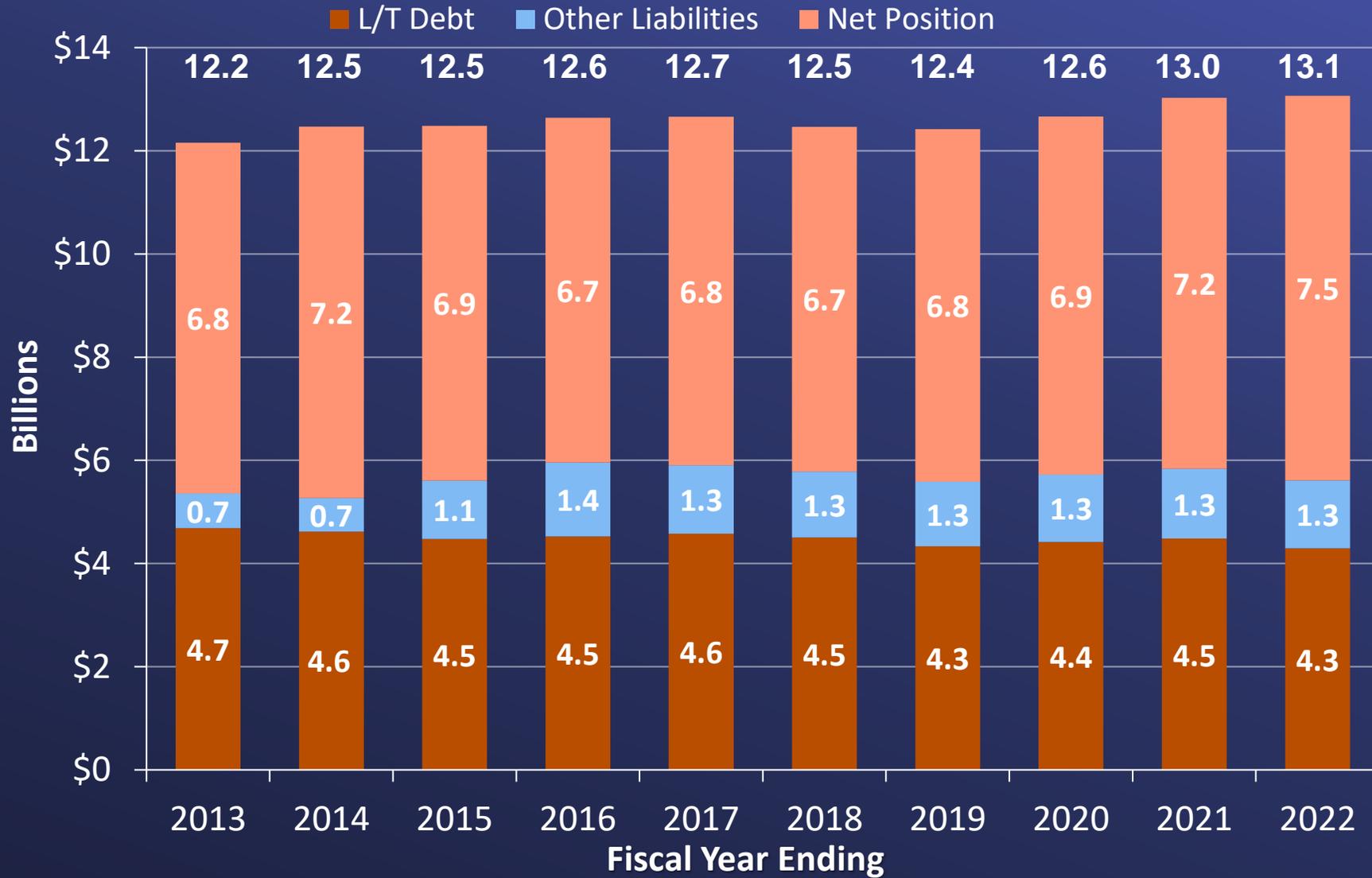
Balance Sheet Trends



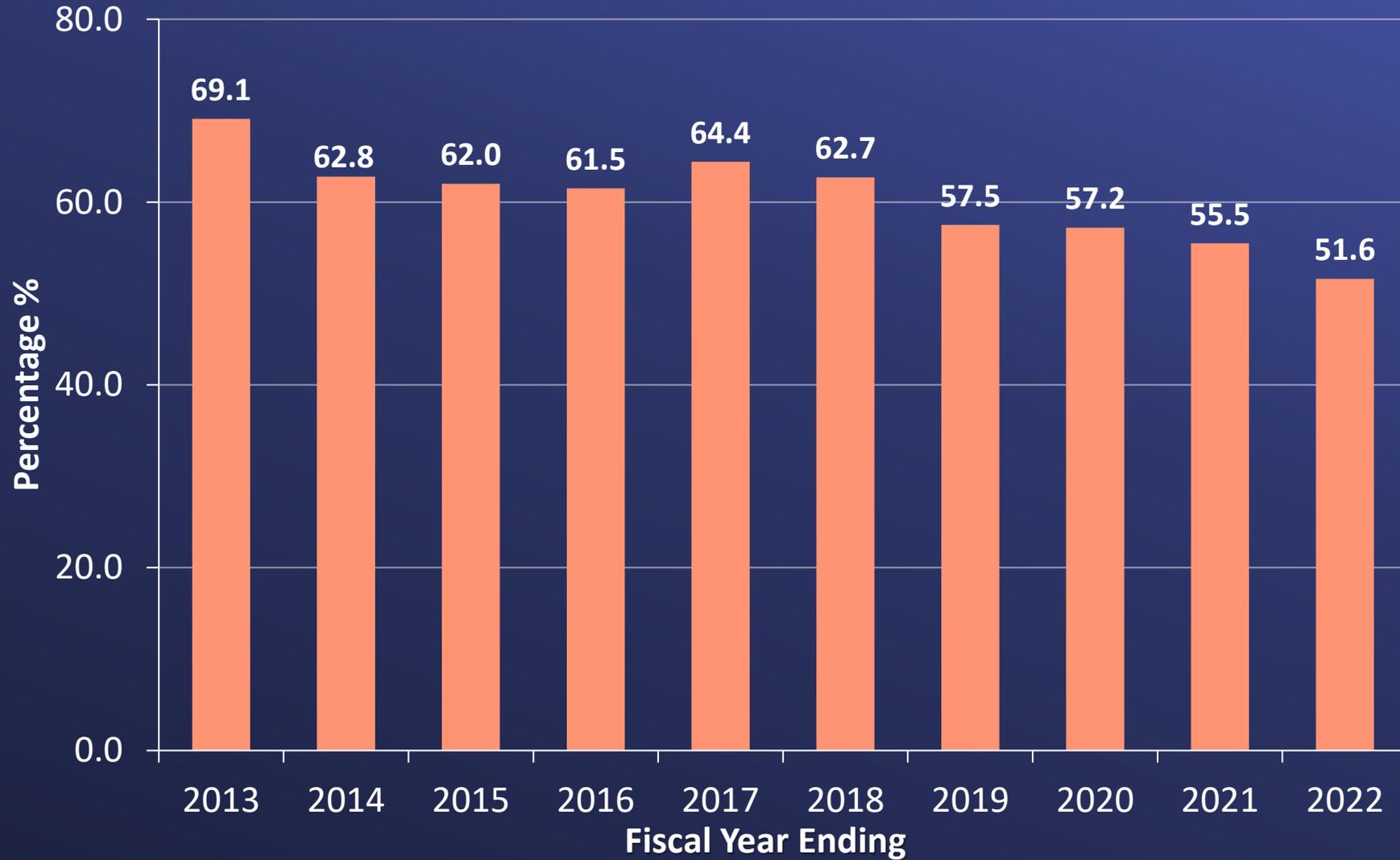
Total Assets and Deferred Outflows



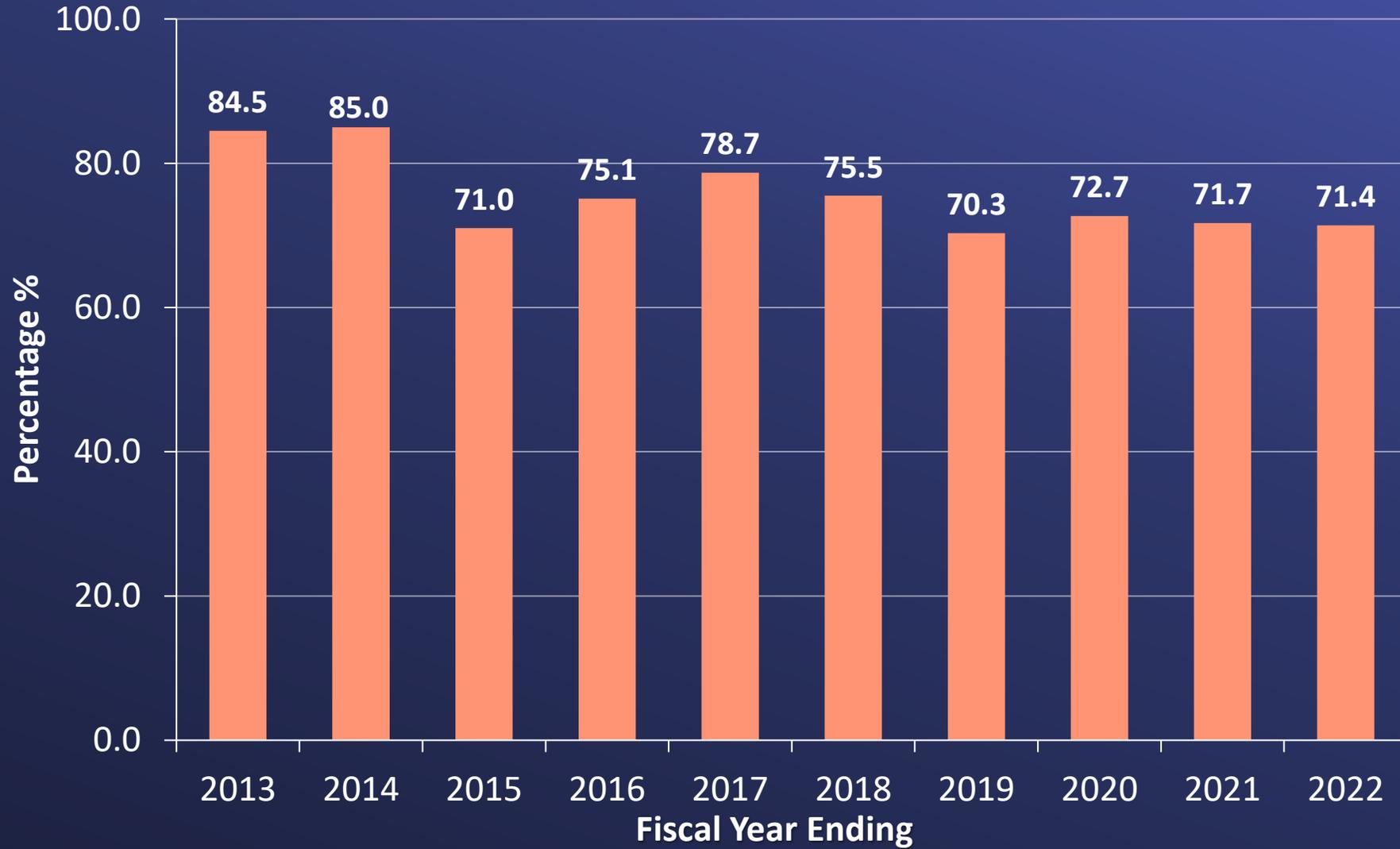
Total Liabilities, Deferred Inflows and Net Position



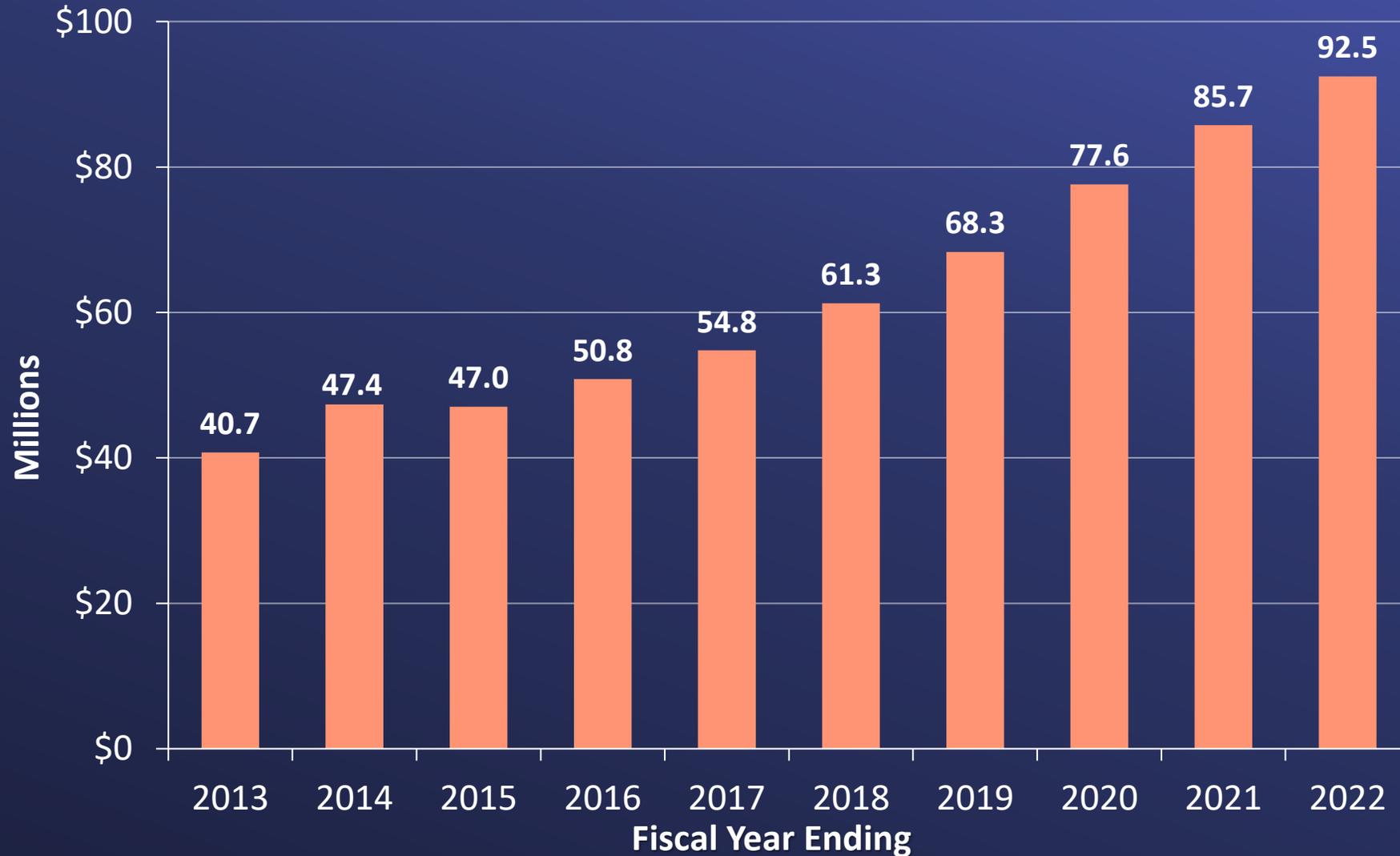
Revenue Bond Debt to Equity Ratio



Pension Funded Ratio

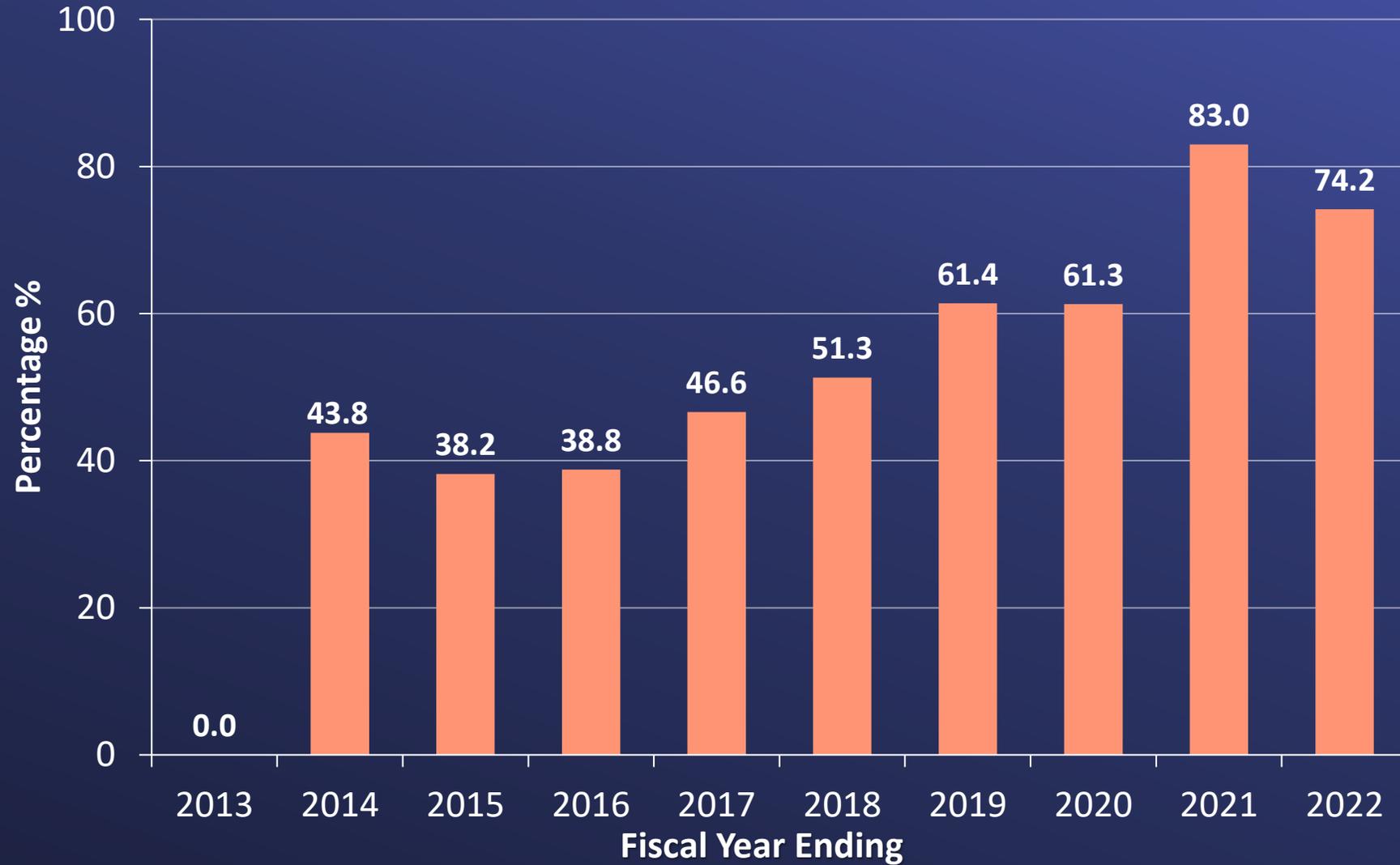


Pension Actuarially Determined Contribution⁽¹⁾

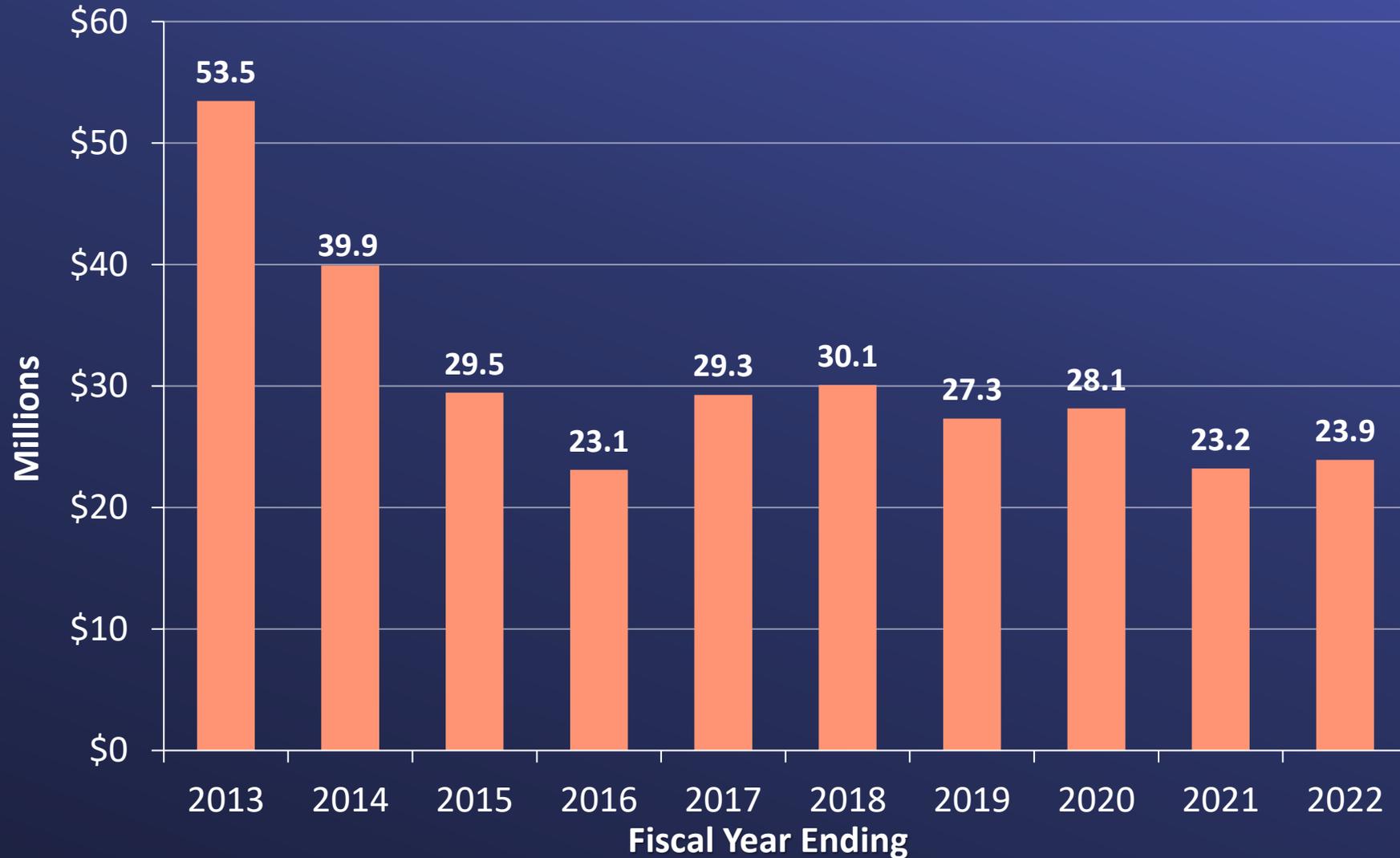


⁽¹⁾ Annual Required Contribution (ARC) in fiscal years 2012 through 2017

OPEB Funded Ratio



OPEB Actuarially Determined Contribution⁽¹⁾



⁽¹⁾ Annual Required Contribution (ARC) in fiscal years 2012 through 2017

