

FINANCE COMMITTEE NOTES

March 10, 2021

Attendees:

Committee members: Mark Gibboney (Chair) and Randall Reed

Staff members: John Bosler, Carrie Guarino, Chad Brantley, Eduardo Espinoza, Rob Hills, Agnes Boros, Frank Chu, Robert Kalarsarinis, Eric Grubb, Jennifer Fillinger, and Andrea Dutton

Members of the Public: None

Call to Order: 10:00 a.m.

Public Comment: None

Additions/Deletions to Agenda: None

Introductory Remarks by Chair Gibboney

Chair Gibboney announced for the record that this meeting was conducted by teleconference pursuant to the Brown Act waivers provided for under the Governor's Executive Orders in response to the COVID-19 State of Emergency. Further, the agenda stated that there was no public location for attending this meeting in person. The agenda stated that the public may listen and provide comment telephonically by calling the number listed on the agenda. Chair Gibboney took a roll call of Committee members and staff present on the call as listed above.

I. Mid-Year Financial Results Report

- Staff provided a detailed report on the financial results of District operations for the six months ended December 31, 2020.
 - Water consumption is about 11% above the projections in the Budget leading to a 9% favorable variance on Total Operating Revenues.
 - Higher water consumption has created a 34% unfavorable variance in Source of Supply expense. However, this is an offset by favorable variances in the Pumping and Water Treatment expense categories. Overall Operating Expenses are 1% above the projections in the Budget.
 - The report included discussion of the District's success in producing water through the MWD Dry Year Yield program.
 - The District has produced about 13,700 acre-feet of groundwater from the MWD storage account in the Chino Basin.

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2. 2009 Clean Renewable Energy Bond Early Pay-Off Amendment (Verbal)

- Staff provided a verbal report about the opportunity to pay off the 2009 Clean Renewable Energy Bond (CREB) on April 1, 2021 in order to eliminate this long-term debt ahead of the upcoming issuance of refinancing bonds.
 - Paying off the CREB requires only one payment of \$29,286 being paid about 8 months early.
 - The Committee agreed to bring this item before the full Board for consideration and approval on March 23.

3. Policy Updates: Administrative Policy No. 1.3, Reserve and Financial Benchmark, and Administrative Policy No. 1.5, Debt Management (Verbal)

- Staff provided a verbal report about the need to update the job title of the Finance staff member receiving the General Manager's delegation of the primary financial responsibilities for the District.
 - The Committee agreed to bring these policy changes before the full Board for consideration and approval on March 23.

4. AWWA Annual Rent Increase (Verbal)

- Staff provided a verbal report on the request by the AWWA that the District waive the inflationary adjustment to the monthly rental fee as set forth in the rental agreement.
 - The inflationary adjustment represents 3% of the rental fee, or approximately \$2,850.
 - The Committee concurred with staff's recommendation and instructed the General Manager to authorize the adjustment to the rental fee.

Meeting Adjourned at 10:50 a.m.