1. Roll call – determination of quorum.
   Chair Saxod called the Administrative and Finance Committee meeting to order at 1:30 p.m. Committee members present were Chair Saxod, Vice Chairs Arant and Wilson, and Directors Croucher, Gallo, Guerin, Hedberg, Murtland and Watkins. Directors absent were Ayala, Cherashore, Hall, Heinrichs and Simpson. Also present were Directors Evans, Fong-Sakai, Hilliker, Lewinger, Olson, Scalzitti, Smith, Steiner, Tu and Weston. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

   Staff present was General Manager Stapleton, General Counsel Hattam, Deputy General Manager Kerl, Assistant General Manager Cushman, Director of Administrative Services Brown, Director of Metropolitan Water District Program Chen, Director of Colorado River Program Denham, Director of Operations and Maintenance Fisher, Director of Public Outreach and Conservation Foster, Director of Finance/Treasurer Harris, Director of Engineering and Operations Reed, Director of Water Resources Yamada, and Budget and Analysis Manager Whyte.

2. Additions to the agenda.
   There were no additions to the agenda.

3. Public comment – opportunities for members of the public to address the Committee on matters within the Committee’s jurisdiction.
   There were no members of the public who wished to speak.

4. Chair’s report.
   There was no Chair’s report.


   Chair Saxod reminded Directors that the Board met on Tuesday, June 6, 2017, for the first budget workshop and thanked all who attended. She announced the Board would take action on Budget adoption at the June 22, 2017, Board Meeting. She reviewed a few logistics of how the workshop would run and turned it over to Ms. Stapleton.

   Ms. Stapleton began the presentation with a recap of the workshop schedule. She announced that the Operating Departments would present their recommended 2018 and 2019 budgets during the meeting. She also reviewed historical staffing, identified how the Water Authority has historically managed staff resources, and gave a brief overview of labor and benefits.
Mr. Reed continued the presentation with components of the operating portion of the Engineering Department, accomplishments, and their plan going forward. He discussed specifics of how the department performed in project completion and Right of Way, and concluded with the department’s resource modifications for the recommended fiscal years 2018 and 2019 budget.

Directors asked questions and staff provided answers.

Mr. Fisher provided a presentation that included the Operations and Maintenance Department’s accomplishments of 2016 and 2017. He stated that the largest and most challenging accomplishments were the integration of the Carlsbad Desalination supply into the system, and installation of real time water quality monitoring. He also discussed specifics of how the department performed in Asset Management and Security, and concluded with the department’s resource modifications for the recommended fiscal years 2018 and 2019 budget.

Directors asked questions and staff provided answers.

Mr. Brown provided a presentation that explained the importance of cyber security and our role in building cyber resilience through people, products, partners and processes. He then reviewed the fiscal years 2016 and 2017 accomplishments for the Administrative Services Department, discussed specifics of how the department performed, and concluded with the department’s resource modifications for the recommended fiscal years 2018 and 2019 budget.

Mr. Yamada provided a presentation that included the Water Resources Department’s role in achieving the Water Authority’s mission, which was to conduct water supply and facility planning; provide Integrated Regional Water Management planning, conduct environmental planning; and engage in water-related regulatory policy development. He reviewed fiscal years 2016 and 2017 accomplishments, discussed specifics of how the department performed, and concluded with the department’s resource modifications for the recommended fiscal years 2018 and 2019 budget.

Ms. Harris provided a presentation that reviewed the department’s role in achieving the Water Authority’s mission which included providing strategic financial management, conducting accounting and financial reporting, managing complex debt and investment portfolios, preparing the multi-year budget and long range financial plan, and managing rates and charges. She reviewed the fiscal years 2016 and 2017 accomplishments, discussed specifics of how the department performed, and concluded with the department’s resource modifications for the recommended fiscal years 2018 and 2019 budget.

Directors made comments and asked questions and staff provided answers.
Mr. Denham provided a presentation that included the Colorado River Program’s accomplishments for fiscal years 2016 and 2017 in achieving the Water Authority’s mission in leadership, efficiencies and the State and Federal drivers. He reviewed key budget initiatives and changes, and concluded with the program’s resource modifications for the recommended fiscal years 2018 and 2019 budget.

Ms. Chen provided a presentation that included the Metropolitan Water District Program’s role in achieving the Water Authority’s mission which was to develop and implement strategies to achieve long-term supply reliability goals at MWD and ensure its financial sustainability, promote and advance policy issues impacting MWD supply reliability; quality and cost, ensure internal alignment on MWD-related activities, and support MWD delegation. She reviewed fiscal years 2016 and 2017 accomplishments, and concluded with the program’s resource modifications for recommended fiscal years 2018 and 2019 budget.

Directors asked questions and staff provided answers.

Mr. Foster provided a presentation that included the Public Outreach and Conservation Department’s accomplishments, which were executing an award-winning drought response campaign, supporting outreach to improve emergency drought regulations, leveraged resources and offset costs with using grant money, and generating tremendous partnerships throughout the County. He concluded with the department’s resource modifications for the recommended fiscal years 2018 and 2019 budget.

Directors asked questions and made comments and staff provided answers.

Mr. Hattam provided a presentation that reviewed the General Counsel Department’s accomplishments for fiscal years 2016 and 2017, discussed specifics of how the department performed, and concluded with the department’s resource modifications for the recommended fiscal years 2018 and 2019 budget.

Directors asked questions and staff provided answers.

Ms. Kerl provided a presentation with a review of fiscal years 2016 and 2017 accomplishments, discussed specifics of how the General Manager’s Department performed with State and Federal drivers, the Energy Program and energy services, grants, efficiencies and leadership, and concluded with the department’s resource modifications for the recommended fiscal years 2018 and 2019 budget.

Chair Saxod announced that there were no more presentations scheduled for the day and thanked all the staff for their presentations.
Director Arant made a motion to “conceptually” approve the Fiscal Years 2018 and 2019 Recommended Budget and move the item to the Consent Calendar at the June 22, 2017 Formal Board Meeting. Director Wilson seconded and the motion passed unanimously.

6. Adjournment.

There being no further business to come before the Administrative and Finance Committee, Chair Saxod adjourned the meeting at 3:30 p.m.