

**MINUTES OF A REGULAR MEETING
OF THE FINANCE COMMITTEE
OF OLIVENHAIN MUNICIPAL WATER DISTRICT**

February 5, 2018

A regular meeting of the Finance Committee of Olivenhain Municipal Water District was held on Monday, February 05, 2018, at the District office, 1966 Olivenhain Road, Encinitas, California.

The meeting was called to order at 11:37 a.m. In attendance were Edmund K. Sprague, Treasurer and Division 5 Director; Gerald E. Varty, Board Secretary and Division 4 Director; Kimberly Thorner, General Manager; Rainy Selamat, Finance Manager; and Felipe Monasi, Financial Analyst.

3. ADOPTION OF THE AGENDA

Director Sprague moved to adopt the agenda, seconded by Director Varty and carried unanimously.

4. PUBLIC COMMENTS

There were no public comments.

5. CONSIDER APPROVAL OF THE MINUTES OF THE JANUARY 8, 2018 SPECIAL FINANCE COMMITTEE MEETING

Director Varty moved to approve the January 8, 2018, meeting minutes, seconded by Director Sprague and carried unanimously.

6. REVIEW AND DISCUSS FISCAL YEAR 2017-2018 MID-YEAR BUDGET REVIEW

Finance Manager Selamat discussed staff proposed mid-year budget adjustments with the committee. Finance Manager Selamat reported that actual sales during the first half of fiscal year 2017-18 was better than Staff's projections. As a result, the net proposed adjustments to the adopted budget is insignificant. Finance Manager Selamat mentioned to the Committee that the proposed budget adjustments include an increase in the annual PAYGO transfer from Water Operating Fund to Water Capital Fund to pay for planned capital spending.

Staff proposed adjustments to the District's fiscal year 2017-18 capital budget then were discussed. Staff is proposing to reduce the total capital budget appropriation approved by the Board in June 2017 for fiscal year 2017-18 due to timing of expenditures on certain capital projects. General Manager Thorner then

reported to the committee the reason that one (1) recycled project has been cancelled from the District's Long Range Capital Spending Plan which is the Recycled Water Quality Improvements project.

7. REVIEW OF QUARTERLY INVESTMENTS AND CASH POSITION REPORTS (Q4 2017)

Finance Manager Selamat reviewed the investment report as of Dec 31, 2018, with the committee. District's cash and investments included in the report were discussed. Finance Manager Selamat reported that actual yield on investments is slightly over the benchmark established in the investment policy due to current market condition and that all investments are in compliance with the investment policy. Since more detail information on the District's monthly investment report has been added as a result of Fiscal Year 2016/17 audit recommendation, the differences between market value, book value, and the face value reported were explained and discussed with the Committee. The district has sufficient funds to meet its financial obligations for the next 120 days.

8. REVIEW AND DISCUSS MONTHLY SUMMARY OF REIMBURSEMENT OF EXPENSES TO BOARD MEMBERS AND STAFF

General Manager Thorner explained the reporting format on Monthly Reimbursement of Expenses to Board Members and Staff included in monthly Board packet. General Manager Thorner explained to the Committee that credit card charges paid by the District for each Board member and staff are not itemized and reported separately the individual name in the monthly report. Director Sprague emphasized to the Committee the importance of transparency for a public agency so long as other factors, such as staff's time and work efficiency, are taken into consideration when preparing a report. Director Varty recommended adding a footnote disclosure on the report to exclude credit card charges paid by the District, but that they are available on request. The Committee accepted staff's recommended changes to the report that travel and other expenses paid by District's credit cards for District's employees are recorded and reported separately in accordance with the District's credit card use procedures.

9. CONSIDER FUTURE AGENDA ITEMS

There were no future agenda items requested.

10. ADJOURNMENT

The meeting was adjourned at 12:42 pm