

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

August 15, 2019

A regular meeting of the Finance Committee of Olivenhain Municipal Water District was held on Thursday, August 15, 2019, at the District office, 1966 Olivenhain Road, Encinitas, California.

The meeting was called to order at 9:01 a.m. In attendance were Edmund K. Sprague, Board President and Division 5 Director; Lawrence A. Watt, Treasurer and Division 2 Director; Rainy Selamat, Finance Manager; Kimberly Thorner, General Manager; and Jared Graffam, Financial Analyst.

1. CALL TO ORDER

2. ROLL CALL (BOARD MEMBERS)

3. ADOPTION OF THE AGENDA

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

4. PUBLIC COMMENTS

There were no public comments.

5. CONSIDER APPROVAL OF THE MINUTES OF THE JULY 11, 2019 SPECIAL FINANCE COMMITTEE MEETING

Director Watt moved to approve the July 11, 2019 meeting minutes, seconded by Director Sprague and carried unanimously.

6. REVIEW OF QUARTERLY INVESTMENTS AND CASH POSITION REPORTS (DRAFT JUNE 2019 INVESTMENT REPORT)

Finance Manager Selamat reviewed the investment report as of June 30, 2019 with the committee. Cash and investments were discussed. Finance Manager Selamat reported on upcoming maturities and recommended that the District re-invest the amounts in short-term investments to take advantage of higher yields. Director Watt and Director Sprague agreed. Finance Manager Selamat reported that the District's investments are

in compliance with the investment policy and that the District has sufficient funds to meet its financial obligations for the next 120 days.

Director Watt commented on the current inverted yield curve on US Treasury bonds and asked what the District is doing to mitigate investment risk. Finance Manager Selamat stated by continuing to invest in funds with short-term holds the District can benefit from the higher yields, and re-invest in bonds with longer holds once the market adjusts.

7. CONSIDER FUTURE AGENDA ITEMS

Finance Manager Selamat proposed having the District's investment policy be reviewed by Richard Babbe, Managing Director for PFM to help ensure compliance with any recent changes to the governmental code. Director Sprague and Director Watt agreed. Recommended updates to the investment policy will be included as an agenda item in the next finance committee meeting to be held in November.

Finance Manager Selamat also noted the District's auditors, The Pun Group, LLP, are scheduled to present the fiscal year 2018-19 audits results in the November finance committee meeting.

8. ADJOURNMENT

The meeting was adjourned at 9:32 a.m.