

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

August 13, 2018

A regular meeting of the Finance Committee of Olivenhain Municipal Water District was held on Monday, August 13, 2018, at the District office, 1966 Olivenhain Road, Encinitas, California.

The meeting was called to order at 10:05 a.m. In attendance were Edmund K. Sprague, Treasurer and Division 5 Director; Gerald E. Varty, Board Secretary and Division 4 Director; Rainy Selamat, Finance Manager; Kimberly Thorner, General Manager; and Leo Mendez, Accounting Supervisor.

1. CALL TO ORDER

2. ROLL CALL (BOARD MEMBERS)

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 MAY 2, 2018 REGULAR FINANCE COMMITTEE MEETING

Director Sprague moved to approve the May 2, 2018 meeting minutes, seconded by Director Varty and carried unanimously.

6. REVIEW OF QUARTERLY INVESTMENTS AND CASH POSITION REPORTS (Q2 2018)

Finance Manager Selamat reviewed the investment report as of June 30, 2018, with the committee. Cash and investments were discussed. Finance Manager Selamat reported that actual investment yield is slightly over the benchmark established in the investment policy and that all investments are in compliance with the investment policy. The District has sufficient funds to meet its financial obligations for the next 120 days. Finance Manager Selamat reported that the District's cash position is \$2 million

higher in comparison to the same period last year.

7. OTHER BUSINESS: REPORT FROM THE GENERAL MANAGER

General Manager Thorner reported that the District is presenting to Fitch Ratings tomorrow. Fitch Ratings sent the District questions for a discussion regarding the District's debt coverage ratio, changes in management, and changes in regulation. Finance Manager Selamat gave an overview of District's Forecast Operating Results. The Committee received the report.

General Manager Thorner reported that there will be changes to the admin code that will be presented to the board on the August 15, 2018 board meeting. The proposed changes are intended to update certain sections of the Code for consistency. Additional edits are proposed to provide clarity on how the District will need to handle its stale dated checks. General Manager Thorner gave an overview of the specific changes. Finance Manager Selamat explained the changes to the policy regarding the handling of stale dated checks.

8. CONSIDER FUTURE AGENDA ITEMS

Director Sprague noted that the posted Finance Committee Agenda items for August 13, 2018 skip number eight. Finance Manager Selamat confirmed that there is no missing item on the Agenda and corrected the numbering on the Agenda to read 8. – CONSIDER FUTURE AGENDA ITEMS and 9. – ADJOURNMENT.

Finance Manager Selamat reported that we'll be starting the request for proposal process for new auditors beginning fiscal year 2018-2019. Finance Manager Selamat mentioned that the District's current auditors, White Nelson Diehl Evans, have been auditing the District for the past ten years. Director Sprague added that in his opinion, the District should switch auditors every several years in order to have a fresh set of eyes on the financial records of the District.

9. ADJOURNMENT

The meeting was adjourned at 10:47 a.m.