

**NOTICE OF A SPECIAL MEETING
OF THE OLIVENHAIN MUNICIPAL WATER
DISTRICT'S FINANCE COMMITTEE
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Pursuant to AB 3035, effective January 1, 2003, any person who requires a disability related modification or accommodation in order to participate in a public meeting shall make such a request in writing to the District for immediate consideration.

DATE: WEDNESDAY, FEBRUARY 20, 2019

TIME: 3:00 P.M.

PLACE: DISTRICT OFFICE

Note: Items On The Agenda May Be Taken Out Of Sequential Order As Their Priority Is Determined By The Committee

1. CALL TO ORDER
2. ROLL CALL (BOARD MEMBERS)
3. ADOPTION OF THE AGENDA
4. PUBLIC COMMENTS
5. CONSIDER APPROVAL OF THE MINUTES OF JANUARY 30, 2019 REGULAR FINANCE COMMITTEE MEETING
6. REVIEW AND EVALUATE PROPOSALS FOR AUDITING SERVICES
7. CONSIDER FUTURE AGENDA ITEMS
8. ADJOURNMENT

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

January 30, 2019

A regular meeting of the Finance Committee of Olivenhain Municipal Water District was held on Thursday, January 30, 2019, at the District office, 1966 Olivenhain Road, Encinitas, California.

The meeting was called to order at 9:02 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; Leo Mendez, Accounting Supervisor; and Jared Graffam, Financial Analyst.

1. CALL TO ORDER

2. ROLL CALL (BOARD MEMBERS)

3. ADOPTION OF THE AGENDA

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

4. PUBLIC COMMENTS

There were no public comments.

5. CONSIDER APPROVAL OF THE MINUTES OF THE JANUARY 10, 2019 SPECIAL FINANCE COMMITTEE MEETING

Director Watt moved to approve the January 10, 2019 meeting minutes, seconded by Director Sprague and carried unanimously.

6. REVIEW OF QUARTERLY INVESTMENTS AND CASH POSITION REPORTS (Q4 2018)

Finance Manager Selamat reviewed the investment report as of December 31, 2018 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.

7. REVIEW OF STAFF-PROPOSED ADJUSTMENTS TO FISCAL YEAR 2018-19 OPERATING AND CAPITAL BUDGET

Finance Manager Selamat began with fiscal year 2018-19 mid-year budget PowerPoint presentation. Staff proposed mid-year budget adjustments were discussed with the committee. Finance Manager Selamat reported that actual sales during the first half of fiscal year 2018-19 were less than staff's projections due to less irrigation water use during the first half of this fiscal year. The proposed net adjustment to the operating budget is a \$14,000 decrease.

Finance Manager Selamat reported that the adjustment to the operating budget is made up of the following: a decrease in water sales, a decrease in water purchases, a decrease in sewer revenue due to timing of receipts, an increase in investment income, and a decrease in PAYGO transfers. General Manager Thorner added that staff had conservatively budgeted PAYGO transfers during the fiscal year 2018-19 budget process.

Staff-proposed adjustments to the District's fiscal year 2018-19 capital budget were then discussed. Staff is proposing for an increase in small capital item purchases of \$51,700 and a proposal to reduce the total capital budget appropriation of approximately \$3.9 million due to the timing of expenditures on certain capital projects. Finance Manager Selamat gave an overview of the small capital items and the projects involved in the appropriation changes.

The Finance Committee agreed with fiscal year 2018-19 budget adjustments as proposed by Staff.

8. CONSIDER FUTURE AGENDA ITEMS

Finance Manager Selamat reported that the District issued a Request for Proposals for audit services and received a total of six proposals. Timelines were discussed related to evaluating, interviewing, and selecting a firm to present to the Board for approval by April 17th. Director Watt recommended checking references included in audit proposals. A rating sheet will be prepared by staff and presented to the Finance Committee for the purpose of evaluating the proposals.

9. ADJOURNMENT

The meeting was adjourned at 10:07 a.m.



Memo

Date: February 20, 2019
To: Finance Committee
From: Rainy Selamat, Finance Manager
Via: Kimberly Thorner, General Manager
Subject: **REVIEW AND EVALUATE PROPOSALS FOR AUDITING SERVICES**

Staff has prepared a summary of audit proposals for review and discussion with the Committee at the meeting.