

**NOTICE OF A REGULAR MEETING
OF THE OLIVENHAIN MUNICIPAL WATER
DISTRICT'S FINANCE COMMITTEE
1966 Olivenhain Road, Encinitas, CA 92024
Tel: (760) 753-6466 • Fax: (760) 753-1578
VIA TELECONFERENCE AND IN PERSON**

**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: MONDAY, AUGUST 12, 2024

TIME: 9:00 A.M.

PLACE: HYBRID REGULAR MEETING VIA ZOOM AND IN PERSON

The meeting is being held virtually as a convenience to the public. The meeting will not stop or suspend its in-person meeting should a technological interruption occur with respect to the Zoom or call-on options listed on the agenda.

For Zoom Participation:

www.zoom.us/join

Meeting ID: 871 1413 9455

Passcode: 974171

For Zoom Call-in Only:

Call: (669) 900-9128

Meeting ID: 871 1413 9455

Passcode: 974171

Public Participation/Comment: Members of the public can participate in the meeting by emailing your comments on an agenda item to Jared Graffam at jgraffam@olivenhain.com or address the finance committee directly in real-time under the public comment section. If you do not receive a confirmation email that your comment has been received, please call (760) 230-2569 or address the committee under the public comment section to ensure that your comments are heard in real-time. The subject line of your email should clearly state the item number you are commenting on and should include your name and phone number. All comments will be emailed to the finance committee members.

*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 THE MAY 13, 2024, REGULAR FINANCE COMMITTEE MEETING
6. REVIEW OF DISTRICT INVESTMENTS AND CASH REPORT FOR SECOND QUARTER 2024
7. CONSIDER INFORMATIONAL REPORT REGARDING FY 2024 FINANCIAL AUDITS
8. FUTURE AGENDA ITEMS
9. ADJOURNMENT

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

May 13, 2024

A regular meeting of the Finance Committee of Olivenhain Municipal Water District was held on Monday, May 13th, 2024, at the District office, 1966 Olivenhain Road, Encinitas, California via teleconference and in person.

Director Meyers called the meeting to order at 2:30pm. In attendance were Neal Meyers, Board Treasurer; Lawrence A. Watt, Board Secretary; Kimberly Thorner, General Manager; Rainy Selamat, Finance Manager; Leo Mendez, Accounting Supervisor; Jared Graffam, Financial Analyst II; Georgeanna Clark, Financial Analyst I.

1. CALL TO ORDER

2. ROLL CALL (BOARD MEMBERS)

3. ADOPTION OF THE AGENDA

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

4. PUBLIC COMMENTS

There were no public comments.

5. CONSIDER APPROVAL OF THE MINUTES OF THE APRIL 01, 2024 SPECIAL FINANCE COMMITTEE MEETING

Director Watt moved to approve the April 1st, 2024, meeting minutes, seconded by Director Meyers and carried unanimously.

6. REVIEW OF DISTRICT INVESTMENTS AND CASH REPORT FOR FIRST QUARTER 2024

Finance Manager Selamat reviewed the investment report as of March 31, 2024, with the committee. Cash and investments were discussed. Finance Manager Selamat reported that the current yield on the District's investment portfolio has increased slightly compared to the last quarter due to replacing matured securities with higher yields available in the market. Finance Manager Selamat reported that District

investments are in compliance with the District's Investment policy and that the District has sufficient funds to meet its financial obligations for the next 60 days.

Director Watt asked if the current balance of investments in the District's portfolio is ideal, or if staff would like to make any changes. General Manager Thorner explained that some of the District's investments are held in long term securities that are under performing, and they will be replaced by higher return investments as they mature. Finance Manager Selamat added that the District's investment portfolio is currently heavily invested in short-term maturities to take advantage of higher yields compared to long-term options in the market due to the inverted yield curve. Finance Manager Selamat further stated that as the yield curve begins to shift back to favoring long-term investments, staff will begin replacing some of the District's short-term investments and upcoming maturities with long-term options to earn higher yields available in the market.

Finance Manager Selamat next presented the summary of fund balances over the previous five years. All fund balances were within the board approved maximum and minimum thresholds. Finance Manager Selamat explained the large fluctuations in the Wastewater Operating fund are caused by the timing of property tax revenues.

7. FUTURE AGENDA ITEMS/INFORMATION

There were no future agenda items requested.

8. ADJOURNMENT

The meeting was adjourned at 2:52pm.

Memo

Date: August 14, 2024
To: Finance Committee
From: Rainy Selamat, Finance Manager
Via: Kimberly Thorner, General Manager
Subject: **REVIEW OF DISTRICT INVESTMENTS AND CASH REPORT FOR THE SECOND QUARTER OF 2024 (JUNE 2024)**

Purpose

The purpose of this agenda is to provide a report on the District's investment activities and cash information to the Finance Committee to comply with the annual investment policy approved by the Board.

Recommendation

It is recommended that the Committee review and receive the attached report as presented. The report provides documentation that the District has sufficient funds to meet the next 60 days' obligations.

Background

The purpose of the District's Investment Policy is to identify policies and procedures that shall govern the investment of all District funds. The ultimate goal of the policy is to enhance the economic position of the District while protecting its funds. These policies have been followed in making all investment decisions on behalf of the District.

The Annual Investment Policy also states that at least once each quarter, the District's Finance Manager shall provide an oral report on the District's investments for review and discussion.

Discussion

All investments have been made in accordance with the District's Annual Statement of Investment Policy. A copy of District historic water and wastewater reserve fund balances is also provided and attached for review.

Staff will be available for discussion with the Committee during the meeting.

Attachments:

Attachment 1 - DRAFT Monthly Cash and Investment Summary Report as of June 30, 2024

Attachment 2 - Graphs showing 5-year history of reserve balances by fund

Olivenhain Municipal Water District
MONTHLY CASH AND INVESTMENT SUMMARY
As of June 30, 2024

Active Deposits

	<u>Book Value</u>
Checking Accounts	\$ 2,013,732
Cash Restricted for Specific Use	951,945
Petty Cash/Disaster Preparedness	1,496
Total Active Deposits	<u>\$ 2,967,173</u>

Deposits Not Covered by Investment Policy

Cash with Fiscal Agents	2,306,389
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<u>Investments</u>	<u>Face Value</u>	<u>Market Value</u>	<u>Current Yield</u>	
LAIF	\$ 6,633,847	6,595,313	4.33%	\$ 6,633,847
CAMP - US Bank	24,765,322	24,765,322	5.43%	24,765,322
Money Market Funds	3,153,473	3,153,473	4.77%	3,153,473
Municipal Bonds	1,000,000	998,460	5.01%	1,216,760
U.S. Treasury Securities	20,100,000	19,875,241	4.93%	19,793,144
U.S. Agency Securities	31,975,000	30,566,542	1.74%	31,973,000
Total Investments	<u>\$ 87,627,643</u>	<u>\$ 85,954,352</u>	<u>3.89%</u>	<u>\$ 87,535,547</u>

Total - All Deposits/Investments**\$ 92,809,109****Maturity Analysis of Investments**

	<u>Percent</u>	<u>Balance</u>
Demand Deposits	39.5%	\$ 34,552,643
Maturity within the next two months	11.1%	9,741,166
Maturity within three months and one year	18.3%	16,015,294
Maturity beyond one year	31.1%	27,226,444
Total Investments	<u>100.0%</u>	<u>\$ 87,535,547</u>

Weighted Average Days to Maturity**242****Other Required Disclosures:**

Accrued interest receivable as of 06/30/2024 \$ 409,470

The above investments are in accordance with the portfolio limitations in the Investment Policy approved by the Board in December 2023.

The District has sufficient funds on hand to meet the next 60 days' obligations.

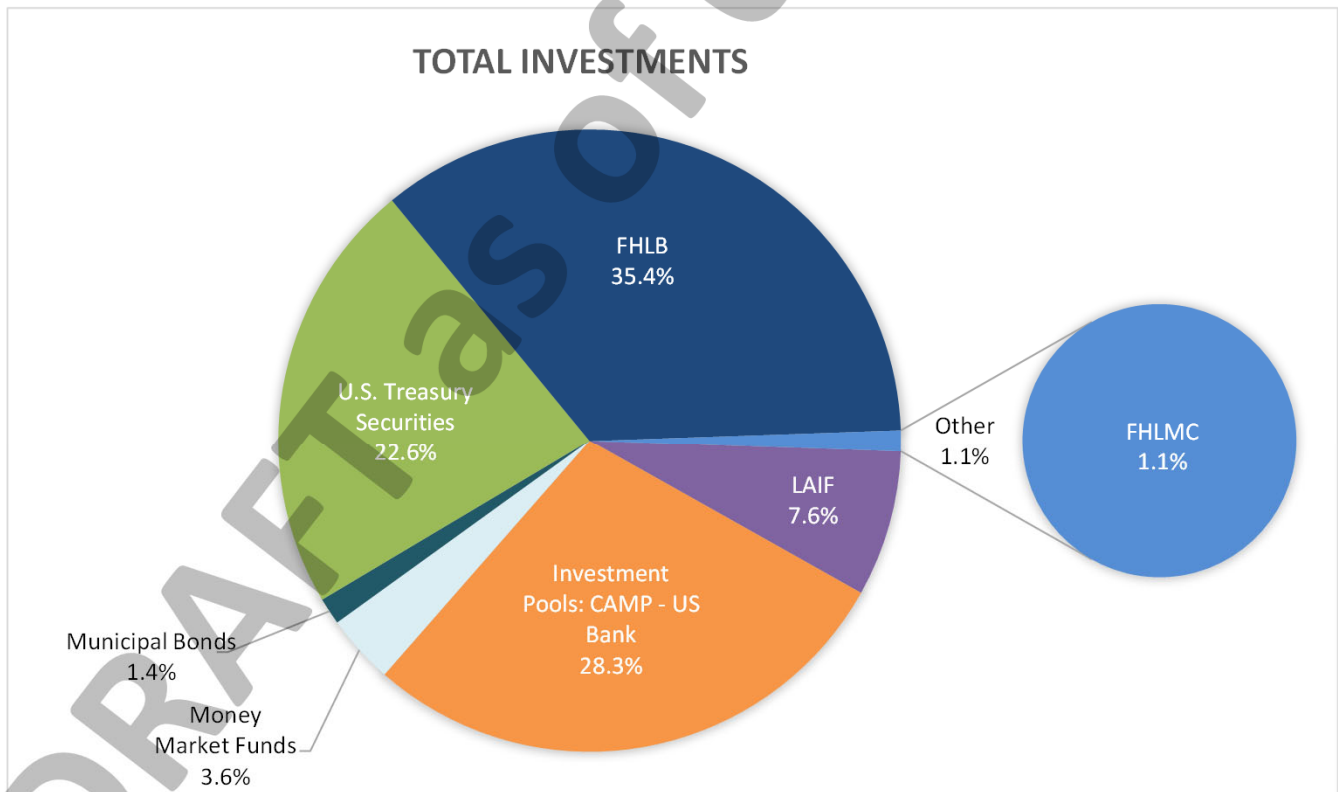
Olivenhain Municipal Water District
PORTFOLIO LIMITATIONS ANALYSIS PER INVESTMENT POLICY
June 30, 2024

	Book Value	Percent	Permitted Percent	In Compliance?
LAIF	\$ 6,633,847	7.6%	50.0% ⁽¹⁾	Yes
Investment Pools: CAMP - US Bank	24,765,322	28.3%	30.0%	Yes
Money Market Funds	3,153,473	3.6%	20.0% ⁽²⁾	Yes
Municipal Bonds	1,216,760	1.4%	30.0%	Yes
U.S. Treasury Securities	19,793,144	22.6%	100.0% ⁽³⁾	Yes
U.S. Agency Securities	31,973,000	36.5%	50.0%	Yes
<i>FHLB Federal Home Loan Bank</i>	<i>30,973,000</i>	<i>35.4%</i>		
<i>FHLMC Freddie Mac</i>	<i>1,000,000</i>	<i>1.1%</i>		

Total Investments **\$ 87,535,547** **100%**

Note:

- ⁽¹⁾ No more than 50% of the total value of all District Investments or \$40 million.
⁽²⁾ May not exceed 5% in any money market fund.
⁽³⁾ No limit.



* Total may not add up to 100% due to rounding.

Olivenhain Municipal Water District
MONTHLY INVESTMENTS DETAIL
June 30, 2024

ACTIVE DEPOSIT

	Book Value
Checking A/C: California Bank and Trust for General Purpose	2,013,732
California Bank and Trust for Specific Purpose	141,312
CAMP 2021A Bond	810,633
Petty Cash/Disaster Preparedness	1,496
Total - Active Deposits	2,967,173

DEPOSITS NOT COVERED BY INVESTMENT POLICY

Cash with Fiscal Agents:

Union Bank - RAD 96-1 Refunding Bond	1,212,641
Union Bank - 2015A Refunding Bond	2,957
SRF Loan	1,085,716
Union Bank - 2016A Refunding Bond	3,195
Union Bank - 2021A WW Revenue Bond	873
Union Bank - 2021B Refunding Bond	1,007

Total Deposits Not Covered by Investment Policy

2,306,389

RATING	DATE				Weighted Average Days to Maturity	Call	Stated Coupon	Current Yield	Market Value	Face Value	Book Value
	Moody's	S&P	Purchase	Maturity	Next Call	Next S-U					

INVESTMENTS

Invest. Pools:	US Bank Calif. Asset Mgmt Prgm (CAMP)	Demand	1	5.43%	\$ 24,765,322	\$ 24,765,322	\$ 24,765,322
	State Local Agency Investment Fund (LAIF)	Demand	1	4.33%	6,595,313	6,633,847	6,633,847
	First American Government 31846V567	Demand	1	5.20%	73,496	73,496	73,496
	CB&T Money Market Account	Demand	1	4.76%	3,079,977	3,079,977	3,079,977

U.S. Treasury Notes/Bills

912796Y52	U.S. Treasury Bills	Aaa	-	04/09/24	07/05/24	6	5.30%	5.31%	1,998,820	2,000,000	1,975,100	
912797GB7	U.S. Treasury Bills	Aaa	-	04/11/24	07/11/24	12	5.33%	5.33%	1,997,080	2,000,000	1,973,859	
912797KC0	U.S. Treasury Bills	Aaa	-	02/29/24	08/22/24	54	5.30%	5.34%	5,855,455	5,900,000	5,792,207	
912797GL5	U.S. Treasury Bills	Aaa	-	03/14/24	09/05/24	68	5.27%	5.32%	1,980,860	2,000,000	1,950,809	
912797GL5	U.S. Treasury Bills	Aaa	-	06/10/24	09/05/24	68	5.30%	5.32%	1,683,731	1,700,000	1,678,838	
912797KK2	U.S. Treasury Bills	Aaa	-	06/21/24	09/12/24	75	5.28%	5.34%	989,380	1,000,000	988,075	
91282CBQ3	U.S. Treasury Notes	Aaa	-	03/09/21	09/30/24	93	0.50%	0.54%	931,170	1,000,000	984,478	
912797GW1	U.S. Treasury Bills	Aaa	-	04/11/24	10/03/24	96	5.31%	5.38%	1,479,735	1,500,000	1,462,852	
912797KU0	U.S. Treasury Bills	Aaa	-	04/25/24	10/17/24	110	5.32%	5.41%	1,968,780	2,000,000	1,950,243	
912828YH7	U.S. Treasury Notes	Aaa	-	03/09/21	02/28/26	609	1.50%	1.51%	990,230	1,000,000	1,036,684	
							55	4.87%	4.93%	\$ 19,875,241	\$ 20,100,000	\$ 19,793,144

U.S. Agency Securities

3130ANTP5	FHLB Callable	Aaa	AA+	09/16/21	09/16/24	09/16/24	79	79	0.50%	0.51%	989,130	1,000,000	1,000,000
3130ANSP6	FHLB Callable	Aaa	AA+	09/17/21	10/17/24	09/17/24	110	80	0.50%	0.51%	984,990	1,000,000	1,000,000
3130B1SG3	FHLB	Aaa	AA+	06/20/24	09/20/24		83		5.35%	5.36%	998,510	1,000,000	1,000,000
3130AKEW2	FHLB Callable	Aaa	AA+	11/04/20	11/04/24	Anytime	128	1	0.43%	0.44%	1,964,080	2,000,000	2,000,000
3130ANGN4	FHLB Step-up Callable	Aaa	AA+	08/18/21	02/18/25	08/18/24	234	50	1.00%	1.03%	975,280	1,000,000	1,000,000
3130AMKE1	FHLB Callable	Aaa	AA+	05/27/21	02/27/25	08/27/24	243	59	0.66%	0.68%	969,860	1,000,000	1,000,000
3134GWAQ9	FHLMC Callable	Aaa	AA+	07/28/20	07/28/25	07/28/24	394	29	0.65%	0.68%	954,430	1,000,000	1,000,000
3130B1CT2	FHLB Callable	Aaa	AA+	05/28/24	11/28/25	03/28/24	517	60	5.50%	5.51%	998,800	1,000,000	1,000,000
3130AKGX8	FHLB Step-up Callable	Aaa	AA+	12/15/20	12/15/25	09/15/24	534	78	1.00%	1.05%	1,912,580	2,000,000	2,000,000
3130AKMD5	FHLB Callable	Aaa	AA+	01/26/21	01/26/26	07/26/24	576	27	0.50%	0.54%	931,980	1,000,000	999,500
3130AKU53	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	07/28/24	578	29	0.52%	0.56%	932,070	1,000,000	1,000,000
3130AKN69	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	01/28/25	578	213	0.50%	0.54%	931,770	1,000,000	1,000,000
3130AKVN3	FHLB Callable	Aaa	AA+	01/29/21	01/29/26	07/29/24	579	30	0.52%	0.56%	931,890	1,000,000	1,000,000
3130AKWK8	FHLB Callable	Aaa	AA+	02/12/21	02/12/26	08/12/24	593	44	0.51%	0.55%	930,230	1,000,000	1,000,000
3130AKX43	FHLB Step-up Callable	Aaa	AA+	02/24/21	02/24/26	08/24/24	605	56	0.70%	0.75%	1,864,940	2,000,000	2,000,000
3130AL7M0	FHLB Callable	Aaa	AA+	02/24/21	02/24/26	08/24/24	605	56	0.63%	0.67%	930,680	1,000,000	1,000,000
3130AKYR1	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/25	606	241	0.55%	0.59%	929,460	1,000,000	1,000,000
3130AL6K5	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/25	606	241	0.58%	0.62%	929,930	1,000,000	1,000,000
3130ALD76	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	08/25/24	606	57	0.70%	0.75%	931,820	1,000,000	1,000,000
3130ALCW2	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/25	606	241	0.63%	0.67%	930,640	1,000,000	998,500
3130ALGJ7	FHLB Callable	Aaa	AA+	03/23/21	03/23/26	07/23/24	632	24	1.00%	1.07%	912,122	975,000	975,000
3130ALPQ1	FHLB Step-up Callable	Aaa	AA+	03/30/21	03/30/26	06/30/24	639	1	1.50%	1.59%	944,780	1,000,000	1,000,000
3130ALVC5	FHLB Step-up Callable	Aaa	AA+	04/14/21	04/14/26	07/14/24	654	15	1.25%	1.32%	944,710	1,000,000	1,000,000
3130B1PZ4	FHLB Callable	Aaa	AA+	06/13/24	06/11/26	12/11/24	712	165	5.35%	5.35%	999,780	1,000,000	1,000,000
3130APAY1	FHLB Callable	Aaa	AA+	10/21/21	10/21/26	07/21/24	844	22	1.10%	1.20%	918,270	1,000,000	1,000,000
3130APL78	FHLB Callable	Aaa	AA+	10/28/21	10/28/26	07/28/24	851	29	1.38%	1.49%	924,490	1,000,000	1,000,000
3130B1GJ0	FHLB Callable	Aaa	AA+	05/21/24	11/20/26	11/20/24	874	144	5.50%	5.50%	999,320	1,000,000	1,000,000
3130B0WG0	FHLB Callable	Aaa	AA+	04/17/24	04/17/29	07/17/24	1,753	18	6.00%	6.00%	1,000,070	1,000,000	1,000,000
3130B1AF4	FHLB Callable	Aaa	AA+	05/02/24	05/02/29	08/02/24	1,768	34	6.00%	6.00%	999,930	1,000,000	1,000,000
							589	73	1.66%	1.74%	\$ 30,566,542	\$ 31,975,000	\$ 31,973,000

Municipal Bonds

882724RA7	TEXAS ST PUB FIN AUTH	Aaa	AAA	10/30/20	10/01/25	459	5.00%	5.01%	998,460	1,000,000	1,216,760
						17	5.00%	5.01%	\$ 998,460	\$ 1,000,000	\$ 1,216,760
Total Investments						242	3.82%	3.89%	\$ 85,954,352	\$ 87,627,643	\$ 87,535,547

TOTAL - ALL DEPOSITS AND INVESTMENTS

\$ 92,809,109

Olivenhain Municipal Water District
INVESTMENTS TRANSACTION
June 30, 2024

PURCHASED

DATE				Investment Description	Stated	Current	Face Value	Book Value
Purchase	Maturity	Call	Step-Up		Coupon	Yield		
04/09/24	07/05/24			U.S. Treasury Bills	5.304%	5.355%	2,000,000	1,975,100
04/11/24	07/11/24			U.S. Treasury Bills	5.326%	5.382%	2,000,000	1,973,859
04/11/24	10/03/24			U.S. Treasury Bills	5.311%	5.432%	1,500,000	1,462,852
04/17/24	04/17/29	07/17/24		FHLB Callable	6.000%	5.997%	1,000,000	1,000,000
04/25/24	10/17/24			U.S. Treasury Bills	5.321%	5.454%	2,000,000	1,950,243
05/02/24	05/02/29	08/02/24		FHLB Callable	6.000%	5.993%	1,000,000	1,000,000
05/21/24	11/20/26	11/20/24		FHLB Callable	5.500%	5.516%	1,000,000	1,000,000
05/23/24	08/22/24			U.S. Treasury Bills	5.310%	5.362%	3,250,000	3,207,635
05/28/24	11/28/25	08/28/24		FHLB Callable	5.500%	5.500%	1,000,000	1,000,000
06/10/24	09/05/24			U.S. Treasury Bills	5.303%	5.325%	1,700,000	1,678,838
06/13/24	06/11/26	12/11/24		FHLB Callable	5.350%	5.351%	1,000,000	1,000,000
06/20/24	09/20/24			FHLB	5.350%	5.358%	1,000,000	1,000,000
06/21/24	09/12/24			U.S. Treasury Bills	5.280%	5.337%	1,000,000	988,075

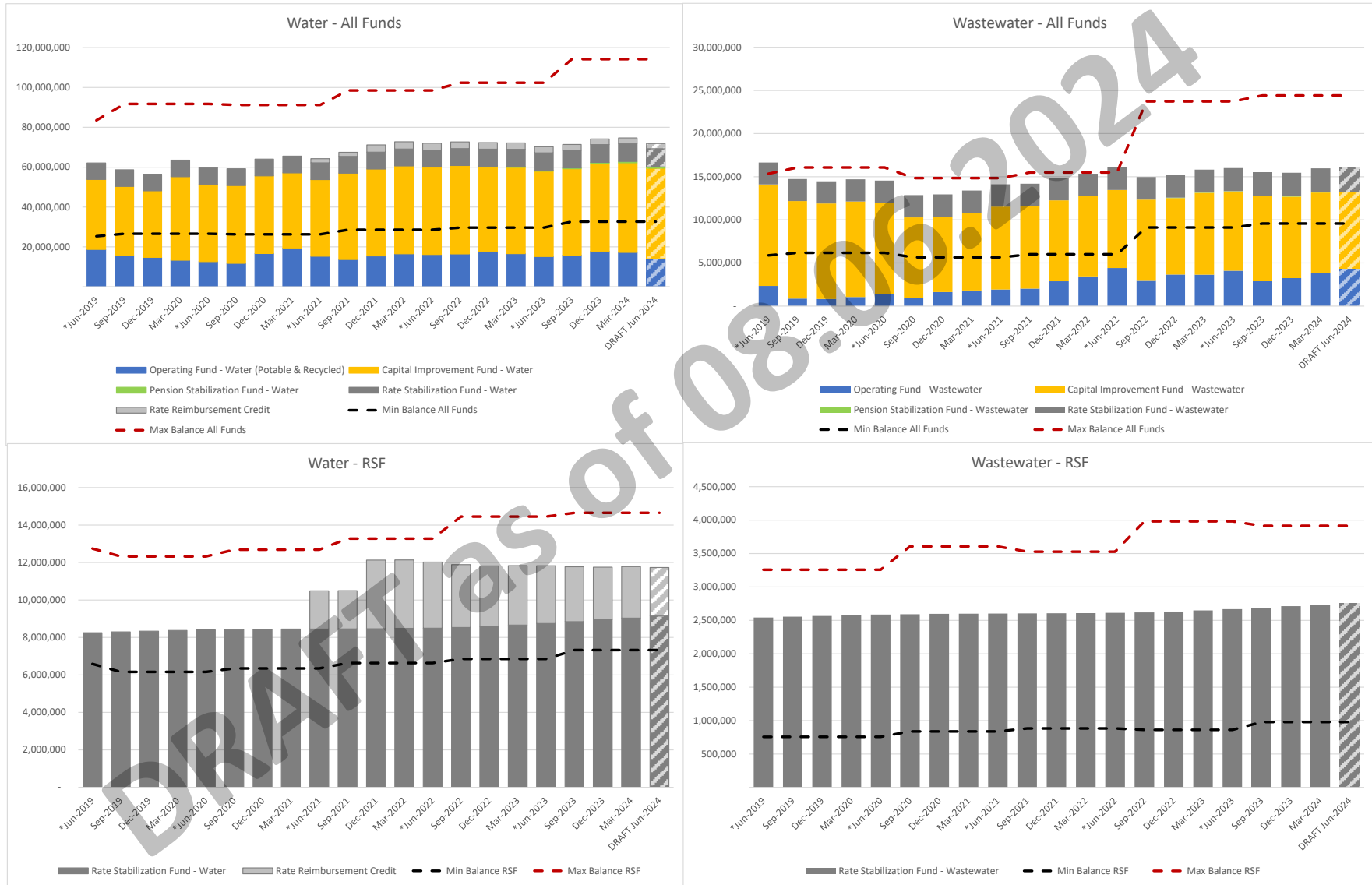
MATURED / REDEEMED / CALLED

DATE				Investment Description	Stated	Current	Face Value	Book Value
Redemption	Maturity	Call	Step-Up		Coupon	Yield		
04/04/24	04/04/24			U.S. Treasury Bills	5.303%	5.305%	1,200,000	1,184,385
04/11/24	04/11/24			U.S. Treasury Bills	5.317%	5.325%	3,500,000	3,454,334
04/23/24	04/23/24			U.S. Treasury Bills	5.322%	5.339%	1,000,000	986,354
04/25/24	04/25/24			U.S. Treasury Bills	5.287%	5.306%	1,000,000	987,025
05/02/24	05/02/24			U.S. Treasury Bills	5.304%	5.305%	1,000,000	988,115
05/09/24	05/09/24			U.S. Treasury Bills	5.322%	5.328%	1,000,000	987,648
05/21/24	05/21/24			U.S. Treasury Bills	5.305%	5.321%	1,000,000	987,123
05/23/24	05/23/24			U.S. Treasury Bills	5.323%	5.340%	3,250,000	3,208,913
06/03/24	06/03/24			FHLB Callable	0.400%	0.400%	500,000	500,000
06/10/24	06/10/24			FHLB Callable	0.300%	0.300%	1,000,000	999,000
06/13/24	06/13/24			U.S. Treasury Bills	5.317%	5.325%	1,000,000	987,660
06/20/24	06/20/24			U.S. Treasury Bills	5.336%	5.349%	2,000,000	1,973,815

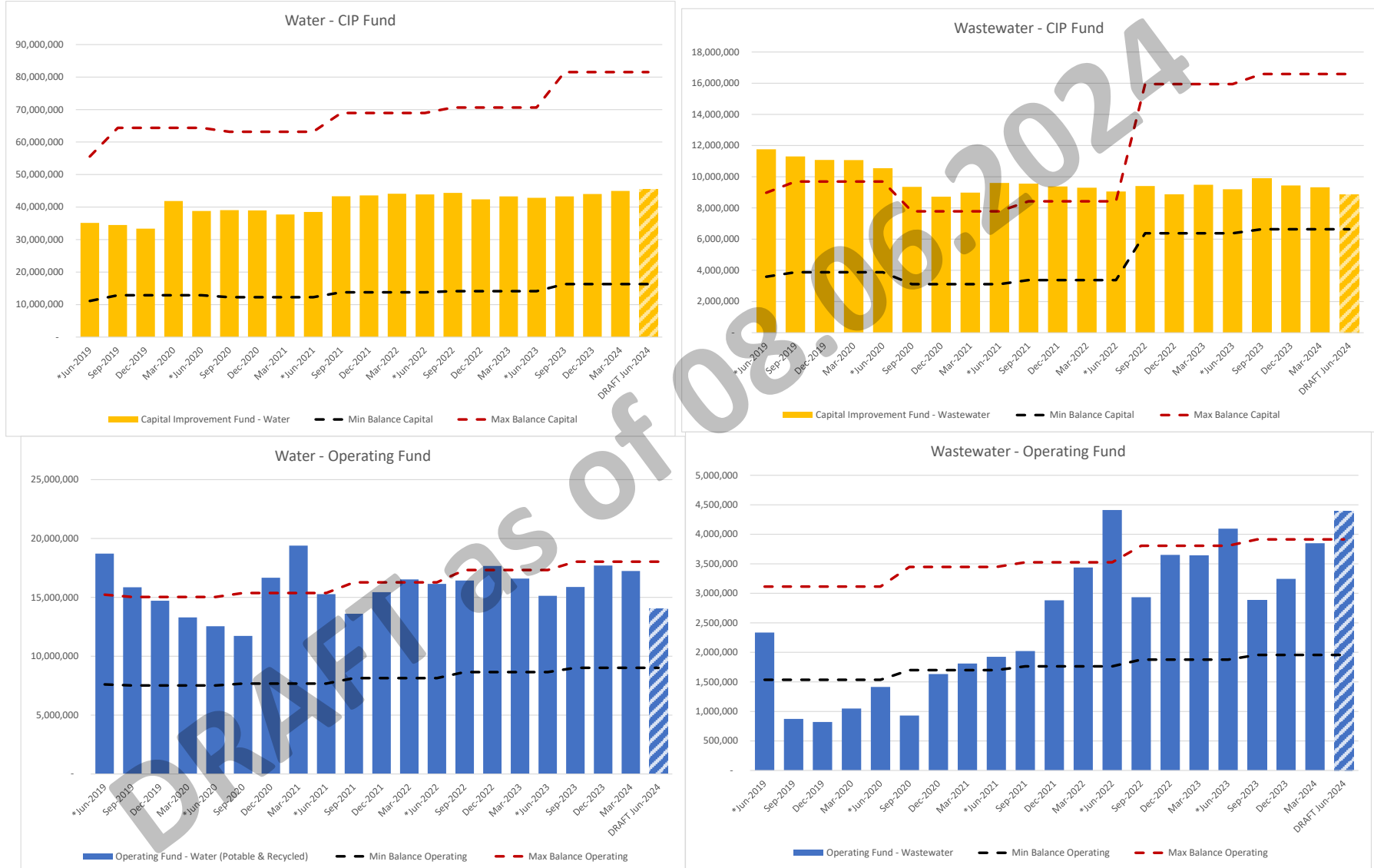
Olivenhain Municipal Water District
UNAUDITED CASH POSITION BY FUNDING SOURCES
As of June 30, 2024

<u>Water Funds (Potable & Recycled)</u>		<u>Balance</u>
10050-100	Cash - Petty Cash Fund	1,496
10010-100	Cash - Operating Fund	15,469,313
10030-100	Cash - Capital and Equipment Fund	38,777,692
10040-100	Cash - Rate Stabilization Fund	11,732,346
10080-100	Cash - Pension Stabilization Fund	678,030
10060-100	Cash - Deposit Work for Other	196,003
14000-500	Restricted Cash - Capacity Fee Fund	6,656,358
Total Water Funds (Potable & Recycled)		<u>73,511,238</u>
<u>Wastewater Funds</u>		
10010-110	Wastewater - Operating Fund	4,385,111
10030-110	Wastewater - Capital Replacement Fund	8,834,819
10040-110	Wastewater - Rate Stabilization Fund	2,758,871
10080-110	Cash - Pension Stabilization Fund	60,736
Total Wastewater Funds		<u>16,039,537</u>
<u>Non Fiscal Agent Debt Service Cash</u>		
14020-570	Cash non-agent - RAD 96-1	130,112
10070-561	Cash non-agent - Bond 2015A	621
10070-581	Cash non-agent - Bond 2016A	10,580
14020-521	Cash non-agent - Bond 2021A	810,633
Total Non Fiscal Agent Debt Service Cash		<u>951,945</u>
<u>Debt Service Funds</u>		
14030-510	SRF Loan - Fiscal Agent	1,085,716
14105-570	Redemption fund - RAD 96-1	1,161,887
14110-570	Reserve fund - RAD 96-1	50,754
14100-561	Redemption fund - Bond 2015A	2,957
14100-581	Redemption fund - Bond 2016A	3,195
14100-521	Redemption fund - Bond 2021A	873
14100-522	Redemption fund - Bond 2021B	1,007
Total Debt Service Funds		<u>2,306,389</u>
TOTAL FUND BALANCES		<u>92,809,109</u>

5 Year History of OMWD Fund Balances by Quarter



5 Year History of OMWD Fund Balances by Quarter



Notes to fund balance graphs above:

Quarterly fund balances in these graphs may exceed the maximum threshold set in the District's Reserves Policy due to the timing of cash receipts and expenditures. In November, after the District's financial audit is completed, fund balances will be reviewed with the finance committee and reported to the full Board. Any excess over the maximum set in the District's Reserve Policy at that time will be reported to be assessed with the District's Reserve Policy.

Memo

Date: August 12, 2024
To: Finance Committee
From: Rainy Selamat, Finance Manager
Via: Kimberly Thorner, General Manager
Subject: **CONSIDER INFORMATIONAL REPORT REGARDING FY 2024 FINANCIAL AUDIT**

This is an informational item. Staff will make a verbal report to the Committee regarding the FY 2024 Financial Audit.