

**FINANCE COMMITTEE MEETING**  
**SUMMARY MINUTES**  
**August 20, 2019**  
**3:00 P.M.**

**ATTENDANCE**

Directors: John Weed (Chair), Paul Sethy

Staff: Robert Shaver, Jonathan Wunderlich, Mariana Grajeda, and Sydney Oam

AB

**DISCUSSION TOPICS**

1. Investment Management Services Contract: Mariana Grajeda, Accounting & Treasury Manager, provided an update on the outcome of the Request for Proposal (RFP) for investment portfolio management services. The District received a total of eight (8) proposals and interviewed the top four (4) firms – PFM, Chandler Asset Management, Meeder Investment Services, and Insight Investments. Based on their response to the RFP, investment strategy and presentation during the interview process, staff will recommend Chandler Asset Management with a proposed 3-year agreement for a total cost of \$300,000 (\$100,000 annually which includes portfolio balance growth) for approval by the Board. Chandler serves many water, utilities and wastewater districts in California, and shows that their investment approach better matches the District's investment goals and objectives with a strong focus on customer service. Ms. Grajeda responded to questions from the Committee.
  
2. Draft Year-end Income Report and Balance Sheet: Ms. Grajeda reviewed the draft Statements of Net Position and Statements of Revenues, Expenses and Changes in Net Position for fiscal year ended June 30, 2019. Ms. Grajeda highlighted the following changes during the fiscal year: Capital assets increased by \$11.8 million due to completion of the Rubber Dam No. 3 Fish Ladder Project. Net pension liability decreased by \$12.7 million due to prefunding payments and good investment returns. Net other post-employment benefits (OPEB) liability decreased by \$3.6 million based on the August 2019 GASB 75 draft actuarial reports. Overall investment income increased due to fair market valuation loss in FY 2017/18, a fair market valuation gain in FY 2018/19, and actual income earned. The District received over \$3.0 million in grants for the fish passage project. Ms. Grajeda responded to questions from the Committee.
  
3. Budget Statement: Sydney Oam, Supervising Financial Analyst, reviewed the monthly budget statement and reserve funds through July 2019. District cash balances decreased by \$14.2 million in July, primarily due to \$17.3 million in prepayments and advanced funding for pension and retiree health care benefits made during the month. Overall expenses are on track as the pension and retiree health care payments were planned for July. The budget report reflected that the District collected 8.2% of budgeted revenue. Water revenues were \$10.3 million or 9.2% of budget. The District continues to maintain reserve levels compliant with policy targets. Mr. Oam responded to questions from the Committee.

4. Public Comments: There were no public comments.

**RECOMMENDATIONS**

Topics discussed by the Committee were informational only, and no recommendations are being made.