



OJAI VALLEY SANITARY DISTRICT

A Public Agency

1072 Tico Road, Ojai, California 93023

(805) 646-5548 • FAX (805) 640-0842

www.ojaisan.org

MINUTES OF FINANCE COMMITTEE

The Finance Committee held a meeting at the District Office, 1072 Tico Road on October 15, 2013 beginning at 3:30 p.m.

COMMITTEE MEMBERS PRESENT: John R. (Randy) Burg
William D. O'Brien
William M. Stone, Chairman

COMMITTEE MEMBERS ABSENT: None

STAFF PRESENT: Jeff Palmer, General Manager
Brenda Krout, Administrative Officer
Ron Sheets, Operations Superintendent

OTHERS PRESENT: Howard Smith, MorganStanley SmithBarney

1. **Public Comment - (Items not on the agenda - 3 minute limit)**

None

2. **Quarterly Review of District's Investments**

Howard Smith of MorganStanley SmithBarney addressed the Committee presenting an overview of the District's investment portfolio. Mr. Smith noted that the portfolio experienced a positive return in the past quarter, continuing to maintain returns well above the rate available with the Local Agency Investment Fund (LAIF). Mr. Smith noted that the District's portfolio has achieved a 3.91 percent gain on investment over the life of the portfolio.

Mr. Smith discussed the current market and how it is being affected by the debt ceiling issues the Federal Government is facing. Mr. Smith noted that the District's portfolio contains only bonds, emphasizing that the bond market remains the most secure investment. Mr. Smith also explained the historical trends and patterns with the bond market.

Mr. Smith responded to questions from the Committee.

The Committee unanimously supported presenting a recommendation to the Board to continue on the current course with the District's investments.

3. **Discussion**

a. Audience

None

b. Committee Members

None

c. General Manager

Mr. Palmer reported that staff has completed the reconciliation of the fiscal year 2012-2013 budget versus actual expenses and revenue, identifying approximately \$400,000 that can be moved back into reserve funds. This reconciliation will be presented to the Board at their October 28, 2013 meeting.

The Finance Committee meeting adjourned at 3:50 p.m.

Minutes submitted by Brenda Krout, Clerk of the Board