



OJAI VALLEY SANITARY DISTRICT

A Public Agency

1072 Tico Road, Ojai, California 93023

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MINUTES OF FINANCE COMMITTEE

The Finance Committee held a meeting at the District Office, 1072 Tico Road on January 6, 2015 beginning at 3:30 p.m.

COMMITTEE MEMBERS PRESENT: Peter M. Kaiser
William C. Murphy
John R. (Randy) Burg, Chairman

COMMITTEE MEMBERS ABSENT: None

STAFF PRESENT: Jeff Palmer, General Manager
Brenda Krout, Administrative Officer
Ronald E. Sheets, Operations Superintendent

OTHERS PRESENT: Howard Smith, MorganStanley SmithBarney
Steve Smailes, MorganStanley SmithBarney

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

None

FOR DISCUSSION & RECOMMENDATION

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

Howard Smith of Morgan Stanley addressed the Committee presenting an overview of the District's investment portfolio. Steve Smailes, junior partner with Morgan Stanley, was also in attendance.

Mr. Palmer reviewed the District's investment returns over the past quarter, noting that the performance continues to be low; however, it remains much better than LAIF returns for the same period.

ITEM 18-1

Mr. Smith discussed the trends and forecast for the national economy, reminding the Committee that the District's portfolio contains only bonds, noting that the bond market remains the most secure investment.

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. **Annual Investment Policy – Proposed Resolution No. 2015-02**

Proposed Resolution No. 2015-02 was reviewed, noting that this resolution continues with the current investment policy provisions. Annual adoption of the District's investment policy is required by Government Code and allows the Committee and Board to review the policy on an annual basis.

The Committee unanimously supported presenting a recommendation to the Board to adopt proposed Resolution No. 2015-02, continuing the current investment policy into 2014 and continuing to work with Morgan Stanley for investment managing services.

FOR DISCUSSION & REVIEW

4. **Verbal Update on Status of Rate Study & Asset Management Plan**

Mr. Palmer presented a brief verbal update on the progress of the rate/capacity study being conducted by Raftelis consultants and the asset management plan being developed by MNS consultants. Both of these completed documents will be utilized in the development of the District's upcoming 2-year budget cycle. The final draft of the rate study and asset management plan will be presented to the Finance Committee prior to a presentation to the full Board.

5. **General Discussion**

- a. Audience
None
- b. Committee Members
None
- c. General Manager
None

The Finance Committee meeting adjourned at 4:31 p.m.

Minutes submitted by Brenda Krout, Clerk of the Board