

## FINANCE COMMITTEE NOTES

September 5, 2019

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### Attendees:

Committee members: Randall Reed (Chair) and Luis Cetina

Staff members: Carrie Guarino, Chad Brantley, Rob Hills, Agnes Boros, Frank Chu, Robert Kalarsarinis, Jennifer Fillinger, Gidti Ludesirishoti.

Members of the Public: Richard Babbe, PFM Investment Management

**Call to Order:** 5:00 p.m.

**Public Comment:** None

**Additions/Deletions to Agenda:** None

### 1. Operating Portfolio Update

- Richard Babbe from PFM Investment Advisors provided an investment performance review for the District's general investment portfolio.
- The report on the current macro-economy showed that inflation and job growth remain at reasonable levels. However, volatility and uncertainty measures are currently high.
- The Federal Reserve cut the FOMC rate by 0.25% recently and the treasury yield curve has become inverted meaning longer term interest rates are lower than short-term interest rates. This is due to the expectation that the Federal Reserve will cut rates in the future.
- The report on the performance of the general portfolio investments indicated purchases have extended the average maturities, but a good balance has been achieved using funds invested in LAIF.
- PFM actively monitors the holdings in corporate notes to maintain high diversity and high credit quality.

### 2. Well 16 Pipeline Replacement

- Staff provided information about the need to replace 1500 feet of pipeline in Sapphire Avenue from Well 16 to the Nitrate Treatment Plant.
- The replacement will be funded by a transfer of \$375,000 from the Water Capital Reserve Account.

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### 3. Well Field 3A Nitrate Treatment Plant Budget Transfer

- Staff presented a report on the work completed to date.
- The estimated additional total costs to complete the project is \$857,000. The cost will be funded through the Nestle Waters grant, and transfers from other projects that were completed under budget.

Meeting Adjourned at 6:00 p.m.