

MINUTES OF BOARD OF DIRECTORS MEETING
ADMINISTRATION AND FINANCE ISSUES COMMITTEE
ORANGE COUNTY WATER DISTRICT
September 12, 2019 @ 8:00 a m

Director Ta called the Administration and Finance Issues Committee to order in Conference Room C-2 in Fountain Valley, CA. The Assistant District Secretary called the roll and reported a quorum of the Committee as follows

Committee Members

Tri Ta
Roger Yoh
Dina Nguyen (absent)
Kelly Rowe
Ahmad Zahra

OCWD staff

Mike Markus - General Manager
Jeremy Jungreis – General Counsel
Randy Fick - CFO/Treasurer
Christina Fuller – Assistant District Secretary

Alternates

Cathy Green (absent)
Steve Sheldon
Jordan Brandman
Denis Bilodeau
Vicente Sarmiento

CONSENT CALENDAR

The Consent Calendar was approved upon motion by Director Rowe, seconded by Director Ta and carried [3-0] as follows.

Yes - Ta, Rowe, Sheldon

1 Minutes of Previous Meeting

The minutes of the Administration/Finance Issues Committee meeting held August 15, 2019 were approved as presented.

2 Monthly Cash Control Report

Recommended by Committee for approval at September 18 Board meeting: Receive and file Summary Cash and Cash Equivalents Control Reports dated August 31, 2019.

3 Investment Portfolio Holdings Reports

Recommended by Committee for approval at September 18 Board meeting: Receive and File the Investment Portfolio Holdings Reports dated August 31, 2019.

MATTERS FOR CONSIDERATION

Directors Yoh, Zahra, Bilodeau, Sarmiento and Brandman arrived during discussion of the following item.

4 Ratio Analysis - Fourth Quarter FY 2018-2019

CFO/Treasurer Randy Fick presented the Ratio Analysis Report for FY 2018-19 Fourth Quarter ending June 30, 2019. He advised that the District tracks six performance metrics that provide a look into the District's financial health. Mr. Fick reported the current ratio for the 4th quarter is 3.7 and the quick ratio is 3.6. He advised that the debt to equity ratio measures the District's financial leverage calculated by dividing its total long-term debt by total unrestricted net assets.

He stated the District debt to equity ratio for the 4th quarter ending June 30, 2019 is 2.8. He advised the District operating margin for the 4th quarter is 53%. He reported the District days cash on hand for the 4th quarter is 663. He advised that debt coverage ratio measures the District's ability to pay debt payments from the income generated from the District's operating and non-operating activities. Mr. Fick reported the District debt coverage ratio for the 4th quarter is 4.8.

Upon motion by Director Zahra seconded by Director Rowe and carried [5-0], the Committee recommended that the Board at its September 18 meeting: Receive and file the Ratio Analysis Report for FY 2018-19 Fourth Quarter ending June 30, 2019.

Yes: Ta, Yoh, Rowe, Zahra, Sheldon

5 Budget to Actual Report for Fourth Quarter FY 2018-19

Accounting Manager Melissa Ochoa presented the Operations Budget to Actual report for the 4th quarter of FY 2018-19. She reported that the General Fund is \$7.2 million over budget due to the net effect of legal expenses being more than planned for the year; Debt Service is \$2 million under budget due to lower than planned interest rates on variable rate debt; the Refurbishment and Replacement Fund costs are 10.5 million less than planned primarily due to the GWRS Pipe Lining project costing less than planned and the delay of the Santiago Intertie project, and Water Purchases are \$15 million under budget.

Upon motion by Director Zahra, seconded by Director Yoh and carried [5-0], the Committee recommended that the Board at its September 18 meeting: Receive and file the Budget to Actual Report for Fourth Quarter of Fiscal Year 2018-19 ending June 30, 2019.

Yes: Ta, Yoh, Rowe, Zahra, Sheldon

INFORMATIONAL ITEM

6 Monthly Cash Disbursements Report

There was no discussion of this item.

CHAIR DIRECTION AS TO WHICH ITEMS IF ANY TO BE AGENDIZED AS MATTERS FOR CONSIDERATION AT SEPTEMBER 18 BOARD MEETING

It was agreed to place items No. 2-5 on the consent calendar for the September 18 Board meeting agenda.

ADJOURNMENT

There being no further business, the meeting was adjourned at 8:30 a.m.


Tri Ta, Chair