

MEETING NOTES

BOARD OF DIRECTORS FINANCE COMMITTEE MEETING

DELTA DIABLO

(a California Special District)

**PLANT OPERATIONS CONFERENCE ROOM
2500 PITTSBURG-ANTIOCH HIGHWAY, ANTIOCH, CA 94509
THURSDAY, FEBRUARY 6, 2020
10:30 A.M.**

The meeting was called to order by Committee Chair, Sean Wright, on Thursday, February 6, 2020 at 10:43 a.m. at the Plant Operations Conference Room, 2500 Pittsburg-Antioch Highway, Antioch, California. Present at the meeting were Vince De Lange, General Manager; Carol Margetich, Business Services Director; and Cecelia Nichols-Fritzler, Office Manager/Secretary to the Board.

PUBLIC COMMENTS

None

REVIEW AND COMMENT ON PROPOSED MODIFICATIONS TO ADMINISTRATIVE HANDBOOK POLICY NO. 3020, INVESTMENT OF DISTRICT FUNDS

Ms. Margetich provided an overview of the policy review and approval process by the Board of Directors and the District's engagement with an outside consultant (PFM) to conduct an annual review to ensure compliance with legal requirements. She highlighted the primary policy objectives—safety, liquidity, yield, which the District uses to manage financial risks. Ms. Margetich stated that the policy governs \$56.6 million in investments, which includes \$51.4 million invested in Local Agency Investment Fund (LAIF) and other liquid accounts and \$5.2 million managed by PFM. She highlighted the range of authorized instruments available for cash investments and reviewed the proposed recommendation to add two permissible investment instruments: 1) Mortgage-backed Securities and 2) Asset-backed Securities to further support portfolio diversification, consistent with the stated policy objectives. In addition, she reviewed a policy revision that will eliminate the requirement to submit Investment Policy to the Board for consideration annually even if there are no changes, which is consistent with Government Code 53646(a) and does not change the requirement to submit the Investment Policy to the Board if there are changes.

Mr. De Lange commented that the policy will be clarified to highlight the Mortgage-backed and Asset-backed Securities category, while the presentation to the full Board would also include a reference to the 20% of portfolio limitation on this investment instrument.

Director Wright thanked Ms. Margetich for the presentation and recommended the policy revisions be submitted to the full Board for consideration at its February 12, 2020 meeting.

ADJOURNMENT

Chair Wright adjourned the meeting at 10:30 am.

Recording Secretary: Cecelia Nichols-Fritzler