



COMMITTEE REPORT

Committee: Finance Committee

Meeting Date: September 16, 2014

Present: C. Gott (Chair), D. Arrighi, B. Carrera (via conference call),
G. Galindo, T. Henton, C. Trevino and D. Witten

Staff Present: T. Zampielo, L. Artis, E. Deurmeier and K. Gardner

I. Review of Draft Audit Report for Fiscal Year 2013-14

The Executive Officer introduced Ms. Danielle Witten, with the accounting firm of Vicenti, Lloyd & Stutzman (VLS) to discuss the audit report.

Ms. Witten stated that the Watermaster Audit and Management Report have been prepared as an unqualified opinion to ensure that the agency's financial reporting was of the highest level without material misstatements. She discussed several components of the audit review, and stated that there are three minor operational journal entries for the Board to review.

Ms. Tina Henton, Partner, VLS, reported on the pension actuarial and the Other Postemployment Benefits (OPEB), stating that Watermaster currently maintains funds that are designated for retiree health benefits, on a pay-as-you-go basis.

Ms. Henton expressed her appreciation to staff for their assistance and expedient responses.

After a brief discussion of the members, the Committee recommended that this item be referred to Watermaster to receive and file.

COMMITTEE RECOMMENDATION: That Watermaster receive and file the draft audit report for FY 2013-14 as prepared by VLS.

III. Review of Cash Investment Policy

The Executive Officer distributed a copy of the existing Cash Investment Policy that has been in place for several years. He stated that the policy establishes a set of comprehensive guidelines covering cash investments for Watermaster that are in line with Board objectives and acceptable levels of risk for specific types of investments. Watermaster is required to review its Cash Investment Policy on an annual basis.

COMMITTEE RECOMMENDATION: That Watermaster reaffirm the Cash Investment Policy.