

OCSD

RESERVES



Seven Reserve Criteria

- A) Next Year's Dry Period (Cash Flow Reserve) – 50% of the Operating Budget
- B) Operating Contingencies – 10% of Operating Budget
- C) Next Year's Dry Period Debt Service – 100% of August COP Debt Service
- D) Capital Improvement Reserve – 50% of average CIP balance to 2020
- E) Debt Service Reserve – 10% of the Outstanding COPs
- F) Operating & Capital Share of Catastrophe Funds
- G) Replacement and Refurbishment – 2% Per Year

Non Discretionary Criteria

- A) Next Year's Dry Period (Cash Flow Reserve) – 50% of the Operating Budget
- C) Next Year's Dry Period Debt Service – 100% of August COP Debt Service
- E) Debt Service Reserve – 10% of the Outstanding COPs

Discretionary Reserve Criteria

- B) Operating Contingencies – 10% of Operating Budget**
- D) Capital Improvement Reserve – 50% of average CIP balance to 2020**
- F) Operating & Capital Share of Catastrophe Funds**
- G) Replacement and Refurbishment – 2% Per Year**

Questions?

OCSD

Investments



Investment Objectives

First

- Provide safety of principal

Second

- Provide sufficient liquidity

Third

- Earn a commensurate rate of return consistent with the constraints imposed by the objectives listed above

OCSD has Two Major Portfolios Long-Term and Short Term

Long-Term

- Approximately \$499 million

Compares to the ICE BAML 1-5 Year
Corporate Government Rated AAA – A Index

Short-Term

- Approximately \$177 million

Compares to the 3-month T-Bill rate and operate with a
maximum maturity of one year

Long-Term Portfolio – Asset Allocation

Category	Percent
US Treasury	31%
US Corporate	23%
Agency	23%
Supranational	9%
Asset Backed Sec	8%
Other	6%
Total	100%

Long-Term Portfolio – Performance

Average Market Yield

December 21, 2018 2.70%

Benchmark 2.69%

September 30, 2018 2.85%

Short-Term Portfolio – Asset Allocation

Category	Percent
US Treasury	78%
Agency	6%
US Corporate	5%
Negotiable CDs	3%
Supranational	3%
Commercial Paper	3%
Money Market	2%
Total	100%

Short-Term Portfolio – Performance

Average Market Yield

December 21, 2018 2.42%

Benchmark 2.37%

September 30, 2018 2.25%

Questions?