

OC San Reserves & Investments

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Seven Reserve Criteria

- 1) Next Year's Dry Period (Cash Flow Reserve)
50% of the Operating Budget
- 2) Next Year's Dry Period Debt Service
100% of August Debt Service
- 3) Debt Service Reserve
10% of the Outstanding COPs

**Non-Discretionary

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Seven Reserve Criteria

- 4) Operating Contingencies
10% of Operating Budget
- 5) Capital Improvement Reserve
50% of average CIP for the next ten years
- 6) Operating & Capital Share of Catastrophe
Funds
- 7) Replacement and Refurbishment
2% of the average CIP per year

**Discretionary

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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

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Portfolios - Long-Term and Short Term

The Orange County Sanitation District's Investment Policy is consistent with California Government Code:

- **Long-Term Benchmarks**

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

- **Short-Term Benchmarks**

- 3-month T-Bill rate
- Maximum maturity of 1-year

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Long-Term Portfolio – Asset Allocation

- Approximately \$742 million

Category	Percent
US Treasury	35%
US Corporate	23%
Agency	22%
Supranational	9%
Asset Backed Sec	6%
Other	5%
Total	100%

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Short-Term Portfolio – Asset Allocation

- Approximately \$231 million

Category	Percent
US Treasury	86%
Negotiable CDs	5%
Money Market	4%
US Corporate	3%
Commercial Paper	2%
Total	100%

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Questions



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