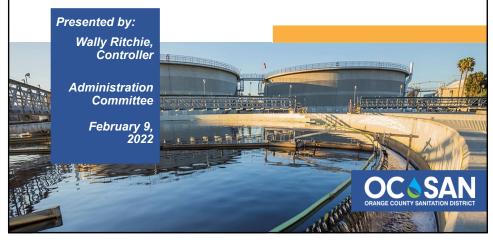
# OC San Reserves & Investments



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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 Reserve10% of the Outstanding COPs

\*\*Non-Discretionary

2

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# **Seven Reserve Criteria**

- 4) Operating Contingencies10% 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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