NORTH TEXAS MUNICIPAL WATER DISTRICT

Regional Service Through Unity… Meeting our Region's Needs Today and Tomorrow

POLICY COMMITTEE

JUNE 9, 2021

1:30 P.M.

AGENDA

I. CALL TO ORDER

II. PUBLIC COMMENTS (FOR TELECONFERENCE COMMITTEE MEETINGS ONLY)

PUBLIC COMMENTS (FOR TELECONFERENCE COMMITTEE MEETINGS ONLY)
INSTRUCTIONS FOR PUBLIC COMMENT ON-LINE REGISTRATION: Prior to the start of the Policy Committee meeting, members of the public wishing to provide public comment must submit via email to PublicRelations.Info@ntmwd.com their first and last name, organization, comment topic, mailing address and email address. During the public comment portion of the meeting, speakers will be recognized by name and asked to provide their comments. The time limit is five (5) minutes per speaker, not to exceed a total of thirty (30) minutes for all speakers. The Committee may not discuss these items, but may respond with factual or policy information. Public comment is provided for committee meetings held by teleconference during the COVID-19 health threat to confirm the opportunity for two-way communication with the public during the meeting.

III. OPENING REMARKS

A. Chairman/Executive Director/Committee Champion Status Report concerning legislation and regulatory matters, budgets, current projects, and ongoing programs of the District

AGENDA

IV. ACTION ITEMS

A. Consider approval of Policy Committee meeting minutes – March 10, 2021

B. Review and possible action on amendment to NTMWD's Administration and Finance Policies Manual, Section 12., Debt Policy

C. Review and possible action on amendment to NTMWD's Administration and Finance Policies Manual, Section 1., General Investment Policy

D. Review and possible action on amendment to NTMWD's Administration and Finance Policies Manual, Section 11., Fund Balance Policy

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V. CLOSING ITEMS

A. Opportunity for Committee members to provide feedback on the Policy Committee meeting

B. Opportunity for Committee members to request potential future agenda items

(No substantive discussion of items will take place at this time)

VI. ADJOURNMENT

NORTH TEXAS MUNICIPAL WATER DISTRICT

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IV. ACTION ITEMS

A. Consider approval of Policy Committee Minutes – March 10, 2021

Recommend Approval of Policy Committee Minutes – March 10, 2021

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IV. ACTION ITEMS

B. Review and possible action on NTMWD's Administration and Finance Policies Manual, Section 12., Debt Policy

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DEBT POLICY

Documents what the District has been doing:

- Debt will not exceed life of assets
- A minimum of 3% present value savings for refundings
- Keeps up with monitoring of debt

And

Incorporates Extendable Commercial Paper (ECP):

- Timing of ECP and Bonds
- How to budget for ECP
- Annual resolution to refund ECP

Credit Rating Agencies look favorably toward Debt Policies

AGENDA

IV. ACTION ITEMS

C. Review and possible action on amendment to NTMWD's Administration and Finance Policies Manual, Section 1., General Investment Policy

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INVESTMENT POLICY AND INVESTMENT STRATEGY

- **Current version adopted by the Board in 2016**
- **The Public Funds Investment Act (the Act) requires the governing body of an investing entity to review its investment policy and investment strategy no less than annually**
- **The Investment Policy and Investment Strategies have been reviewed by Hilltop Securities Inc., and meets the requirements of the Act**
- **The governing body is also required to adopt a written instrument by resolution stating that it has reviewed the investment policy or strategy. This will be an item on the June Board Agenda.**
- **2019 is the first year to receive Government Treasures' Organization of Texas's Certificate of Investment Policy**

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CASH AND INVESTMENT BALANCES

District's Portfolio:

Operating Funds	$ 79
Construction Funds	$1,420
Escrow Funds	$ 44
I&S Funds	$ 166
Bond Reserve Funds	$ 207
Total Portfolio	**$1,916**

INVESTMENT POLICY AND INVESTMENT STRATEGY

Primary Changes:

- Requires staff working with investments to receive investment training
- Maximum term of investment increasing from 5 to 10 years
- Potential sources of portfolio pricing has been expanded
- Broke out Contingency, Rate Stabilization and Reserve for Maintenance Funds in Strategy Statement
- Some changes were recommended per the Government Treasures' Organization of Texas

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IV. ACTION ITEMS

D. Review and possible action on amendment to NTMWD's Administration and Finance Policies Manual, Section 11., Fund Balance Policy

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FUND BALANCE POLICY REVIEW

- **Current Policy Requirements for RWS**
  - **Operating Fund 90 Days**
  - **Capital Improvement Fund $15 M**
  - **Contingency Fund $20 M**
  - **Rate Stabilization Fund $7 M**

- **Pursuant to the adopted Fund Balance Policy, staff is to prepare a list of balances for each fund.**

- **Staff is to review the balances and policy with the Finance/Audit Committee annually after the completion of the annual financial audit.**

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FUND BALANCE POLICY REVIEW

Primary Changes:

- Support Fund Addition:
  - Operating Fund shall be maintained at $0 (Break-Even)
  - Contingency Fund shall be based on 15 Days' Budgeted O&M for the next Fiscal Year.
- Health Insurance Holdings, at 2 months of expenses
- Re-Organized Capital Improvement Funds, Reserve For Maintenance, Preventative Maintenance and Equipment Replacement Funds
- Addition of Fund Definitions
- No changes to existing limits

DISCUSSION ITEMS

V. DISCUSSION ITEMS

A. Opportunity for Committee Members to Provide Feedback on the Policy Committee Meeting

DISCUSSION ITEMS

V. DISCUSSION ITEMS

B. Opportunity for Committee Members to Request Potential Future Agenda Items
(No substantive discussion of items will take place at this time)

VI. ADJOURNMENT