

CENTRAL BASIN MUNICIPAL WATER DISTRICT

APRIL 13, 2005 - Finance

Apodaca, Gonzalez

APRIL 25, 2005 - Board Meeting

Prepared by: Margaret Moggia

Submitted by: Margaret Moggia

Approved by: Art Aguilar/Rich Nagel

ACTION CALENDAR

INVESTMENT ADVISORY SERVICES – CONTRACT TERM EXTENSION

SUMMARY:

In April 2004, the Board approved a one-year contract with Public Financial Asset Management (PFAM) for an amount not-to-exceed \$12,000. Over the past year, District staff has benefited from the input by PFAM in reviewing the District's current investment policy, developing internal guidelines, and reviewing the portfolio for opportunities to improve diversification in duration or sector allocation. In addition, PFAM has provided some initial training to understand how the market behaves under certain economic factors.

Staff is requesting an extension of PFAM's contract term through June 30, 2006. There will be no modification in the contract amount. To date, PFAM has expended about 50% of the cost. The term extension will cover a workshop planned for June with the Board and for PFAM to discuss the improvements in the investment procedures, the District's approach on investment management, and to continue to seek opportunities to improve diversification and portfolio earnings.

FISCAL IMPACTS:

Funds are available in the Finance and Support Services Budget to cover the cost of this service through May 2006.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Finance Committee on April 13, 2005 and recommended for approval at the April 25, 2005 Board meeting.

RECOMMENDED MOTION:

That the Board authorizes the Co-General Managers to amend contract C1489 with Public Financial Asset Management to extend the contract term through June 30, 2006.

LIST OF EXHIBITS:

None.