

INVESTING OPTIONS

**SUMMARY OF OPTIONS AND
PRACTICES**

WEFMAX NASHVILLE 2019

**WATER ENVIRONMENT ASSOCIATION
OF SOUTH CAROLINA**



**WE ARE A NONPROFIT, TECHNICAL,
AND EDUCATIONAL ORGANIZATION
REPRESENTING WATER
PROFESSIONALS IN SOUTH
CAROLINA**

**OFFER EDUCATION TO WATER
PROFESSIONALS**

**ADVOCATE FOR SAFE AND
SUSTAINABLE WATER**

**CREATE VOLUNTEERING AND
LEARNING OPPORTUNITIES**

**PROVIDE TECHNICAL
INFORMATION AND EXPERTISE TO
A STATEWIDE AUDIENCE**

**COLLABORATE WITH OTHER
ORGANIZATIONS**

SCAWWA

- 82 Member Utilities
- 650 Individual Members
- Members Utilities serve drinking water to a population over 2.2 million South Carolina residents

WEASC

- 3000 Individual Members across 10 districts in the state
- Our purpose is to serve those whose vocation is the promotion, protection and preservation of the water environment.

OPERATING BUDGET

- ANNUAL BUDGET: \$631,000
- FOUR FULL-TIME STAFF
- SCHOLARSHIPS: \$35,000 ANNUALLY
- LEGACY OF LEARNING (SCHOLARSHIPS) CASH RESERVE \$510,560
- OPERATING CASH RESERVE \$406,065

LEGACY OF LEARNING

- TO FULLY FUND AND SUSTAIN WEASC LEGACY OF LEARNING (LOL) ENDOWMENT
 - SHORT TERM GOALS: TO FULLY FUND THE VARIOUS COLLEGE AND UNIVERSITY SCHOLARSHIPS THROUGHOUT SC
 - LONG TERM GOALS: TO FUND VARIOUS COLLEGE AND UNIVERSITY SCHOLARSHIPS THROUGHOUT SC IF THERE WERE NO OTHER SCHOLARSHIP FUNDRAISING EVENTS FOR THE LOL ENDOWMENT
 - ARE OUR EARNINGS, DIVIDENDS AND INTERESTS, AND GROWTH ENOUGH TO FULLY FUND EACH SCHOLARSHIP ANNUALLY?
 - IF NO, THEN WE NEED TO CONTINUE TO GROW THE ENDOWMENT
 - IF YES, CAN WE INCREASE THE SCHOLARSHIP AMOUNTS GIVEN

LEGACY OF LEARNING

- OVERALL NEEDS TO REACH AND MAINTAIN SHORT & LONG TERM GOALS: TO PROTECT INITIAL INVESTMENTS AND GROW THOSE ASSETS IN WHICH TO INCREASE THEIR VALUE
 - MITIGATE RISK #1 - DIVERSIFY THE PORTFOLIO
 - MITIGATE RISK #2 – USE A FINANCIAL ADVISOR
 - MITIGATE RISK #3 – MODERATE TO LOW RISK (HOW MUCH RISK CAN THE EXECUTIVE COMMITTEE TOLERATE?)

OPERATING RESERVES

- TO FULLY FUND 1-YR OPERATING CASH RESERVES OF THE ASSOCIATION
 - SHORT TERM GOALS: TO INVEST IN LOW RISK INVESTMENTS TO GROW CASH RESERVES
 - LONG TERM GOALS: TO FULLY FUND 1-YR OPERATING EXPENSES

OPERATING RESERVES

- OVERALL NEEDS TO REACH AND MAINTAIN SHORT & LONG TERM GOALS: TO PROTECT INITIAL INVESTMENTS, TO GROW THOSE ASSETS IN WHICH TO INCREASE THEIR VALUE, AND TO MAINTAIN ACCESS TO FUNDS IN THE EVENT THAT WEASC NEEDS TO TAP INTO THOSE INVESTMENTS FOR CASHFLOW NEEDS
 - MITIGATE RISK #1 – CONSOLIDATE VARIOUS MONEY MARKET ACCOUNTS AND CDS FROM VARIOUS BANKING INSTITUTES FOR INVESTMENT FIRM BROKERAGE
 - MITIGATE RISK #2 – USE A FINANCIAL ADVISOR
 - MITIGATE RISK #3 – VERY LOW
 - MITIGATE RISK #4 – INVESTMENTS SHOULD BE LIQUID IN CASE OF CASHFLOW NEEDS

GENERAL INVESTMENT STRATEGIES

- GREATER STANDARD OF CARE SINCE DONATED MONIES, TAX EXEMPT
- WHAT IS THE COST OF MANAGEMENT CHARGED TO THE ACCOUNT?
- LAST 12 MONTHS, ON \$919,000 WE PAID ABOUT .1%
- LOOK CAREFULLY AT FEE-BASED ACCOUNTS – FOR EXAMPLE, CD'S ARE “SELF-MANAGED” SO WHY PAY MANAGEMENT FEE
- COMMISSION-BASED INVESTMENTS ARE THE ALTERNATIVE WE SELECTED AS MOST COST-EFFICIENT
- INVESTMENT MANAGER CALLS TREASURER TO DISCUSS ANY MOVES IN MARKET – NEED GOOD COMMUNICATION



WWW.SCWATERS.ORG

- **QUESTIONS?**