

**EXHIBIT**  
**INVESTMENTS COMMITTEE**  
GVR Board Ad Hoc Committee  
Tuesday, October 9, 2018  
9:00am Las Campanas Agave Room

Posting Approved by Chair Tom Sadowski, November 7, 2018 at 9:16am  
Pending Committee Approval

GVR has 3 Reserve Accounts (Maintenance, Repair, and Replacement, the Emergency Fund and New Initiatives), along with the Operational Fund in accounts held with Edward Jones. Of the 4 accounts, only one account is under professional management (the Emergency Fund). The current returns on these accounts are as follows as of 9/28/18 in calendar year 2018 are as follows-

Operating Cash-Current Balance \$2,962,351 2018 YTD-Unrealized Gain .93%, \$24,967 Unrealized Gain

Operating Cash-2017 YTD -\$15,285 Unrealized Loss

MR&R-Current Balance \$6,093,751, 2018 YTD Unrealized Gain .42%, \$13,432 Unrealized Gain

MR&R-2017 YTD \$252,096 Unrealized Gain

New Initiatives-Balance \$2,029,027, 2018 Unrealized Loss YTD-.43%, -2,523 Unrealized Loss

New Initiatives-2017 YTD Gain \$25,264

Emergency Fund- 2018 Unrealized Gain \$22,368

Emergency Fund-2017 Unrealized Gain \$47,122

There are different standards for management of investment accounts. The fiduciary standard requires that any investment recommendations must be in the best interest of the clients. The suitability standard only requires that the investment recommendation be suitable to the client. With GVR's Reserve funds held with Edward Jones, only one out of the four accounts is managed under the fiduciary standard (the Emergency fund).

GVR's Board is responsible for GVR's investment policies, activities and performance.

1. The Chief Executive Officer (CEO) shall have oversight of and the Chief Financial Officer (CFO) is responsible for:

- a) Monitoring the activities of GVR's financial advisor(s)
- b) Day-to-day investment activity and decisions.

2. The Investment Committee's duties and responsibilities are listed below.

- a) Select, hire and terminate professional outside investment advisor(s) with notice to the CEO
- b) Revise GVR's Investment Policy Statement subject to Board approval

- c) Monitor, measure and report on investment advisor's or advisors' performance(s)
- d) Ensure GVR management implements and complies with GVR's Investment Policy Statement
- e) Meet at least once each calendar quarter to perform its assigned duties and report to the Board

The Investment Committee has voted to move 2 additional accounts (the MR&R and New Initiatives Reserve Accounts) under professional management. The committee has developed an RFP and issued it to potential firms who could professionally manage approximately \$8.6 million in GVR assets.

The committee is also considering establishing a benchmark baseline for management of these accounts, which stresses preservation of capital, low to moderate risk, and income and asset appreciation.