



EAST VALLEY WATER DISTRICT

LEADERSHIP • PARTNERSHIP • STEWARDSHIP

BOARD AGENDA STAFF REPORT

Agenda Item #2.c.
Meeting Date: October 23, 2019
Consent Item

To: Governing Board Members

From: General Manager/CEO

Subject: Approve Investment Report for Quarter Ended September 30, 2019

RECOMMENDATION:

Staff recommends that the Board of Directors accept and file the attached Investment Report for the quarter ended, September 30, 2019.

BACKGROUND / ANALYSIS:

California Government Code §53646(b) requires the Treasurer or CFO of a local agency to submit a quarterly report on the agency's investments to the legislative body of the agency within 30 days of the end of each quarter.

The attached Investment Report shows all of the District's cash and investments, restricted and unrestricted, as of September 30, 2019. Attachment A presents the investment securities purchased and retired during the quarter July to September 2019. Increases and decreases in highly liquid funds, such as LAIF, are explained in the narrative below.

Unrestricted Investments

LAIF

The balance held in the Local Agency Investment Fund at the beginning of the quarter was \$14,796,935. Interest earned during the previous quarter of \$94,539 was posted to the account in July. There were no transfers during the quarter resulting in a balance of \$14,891,474, at the end of the quarter.

LAIF earnings for the quarter ended September 30, 2019 were \$91,727.11, calculated at an apportionment rate of 2.45%; down from 2.57% which had been in effect for the previous quarter. The earnings were posted to the District's account on October 15, 2019.

Citizen's Business Bank (CBB) Wealth Management

The total (book) value of the assets held with CBB increased \$25,674 to \$5,784,995 during the quarter ended September 30, 2019. The balance in this account is held both in a money market account (\$273,874) and in a \$5,511,121 portfolio of Treasury and federal agency securities shown on Attachment A.

Net interest payments received on securities in the District's portfolio were \$23,262 and funds held in money market accounts earned \$1,823.

Investment manager fees paid during the quarter were \$2,180. Earnings were increased by a \$2,769 amortization paid

on the acquisition of certain bonds.

There were no District transfers to or from this investment account during the quarter.

The following schedule summarizes the activity for Unrestricted Investments during the Quarter ended September 30, 2019:

Account	Beg Bal	Deposits/ (Withdrawals)	Earnings	Fees	Disc / Prem Amortization	Ending Balance
LAIF	\$ 14,796,935	\$ -	\$ 94,539	\$ -	\$ -	\$ 14,891,474
CBB Wealth Mgt	5,759,321	-	25,085	(2,180)	2,769	\$ 5,784,995

Restricted Investments

Trust accounts with Union Bank are used to safeguard funds which are restricted by bond covenants. The accounts remaining open as of September 30, 2019, are used to receive District deposits, from which the Trustee (Union Bank) pays District bondholders.

Semiannual bond payment dates are April 1st and October 1st.

Summary Schedule of Union Bank Trustee Accounts

The following schedule summarizes activity in the Union Bank accounts for the Quarter ended September 30, 2019:

2010 Accounts	Beg Bal	District Deposits	Earnings	Transfers	Withdrawals/ Payments	Ending Balance
Revenue Fd	\$ -	\$ 292,276	\$ -	\$ -	\$ -	292,276
Interest Acct	510	2	-	\$ -	\$ -	512

2013 Accounts	Beg Bal	District Deposits	Earnings	Transfers	Withdrawals/ Payments	Ending Balance
Revenue Fd	\$ -	\$ 2,098,920	\$ -	\$ -	\$ -	2,098,920
Interest Acct	285	2	-	-	\$ -	287

AGENCY GOALS AND OBJECTIVES:

Goal and Objectives II - Maintain a Commitment to Sustainability, Transparency, and Accountability

a) Practice Transparent and Accountable Fiscal Management

REVIEW BY OTHERS:

This agenda item has been reviewed by the Finance Department.

FISCAL IMPACT

There is no fiscal impact associated with this agenda item.

Recommended by:

John Mura
General Manager/CEO

Respectfully submitted:

Brian Tompkins
Chief Financial Officer

ATTACHMENTS:

Description	Type
Investment Rpt Qtr Ended Sep 30 2019	Backup Material
Attachment A - CBB Investment Activity Rpt Qtr Ended Sep 30 2019	Backup Material

**EAST VALLEY WATER DISTRICT
INVESTMENT REPORT
QUARTER ENDED
September 30, 2019**

		<u>Funds Managed By</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Face Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Source of Valuation</u>
Funds Held by EVWD									
Cashiers change fund		District	N/A	N/A	N/A	750.00	750.00	750.00	N/A
Petty Cash / Kiosk Cash		District	N/A	N/A	N/A	4,500.00	4,500.00	4,500.00	N/A
Checking account	Citizens Business Bank	District	N/A	N/A	N/A	1,920,448.57	1,920,448.57	1,920,448.57	N/A
Flexible Spending Account	Citizens Business Bank	District	N/A	N/A	N/A	20,000.00	20,000.00	20,000.00	N/A
Funds Held by EVWD Under Management of an Outside Party									
Local Agency Investment Fund - Undesignated		State of California	N/A	N/A	2.570%	14,891,474.00	14,891,474.00	14,891,474.00	LAIF
Local Agency Investment Fund - Designated for Debt Service		State of California	N/A	N/A	2.570%	-	-	-	LAIF
Citizens Business Bank									
US Treasury / Agency Bonds		CBB Wealth Mgt		See Attached		5,511,000.00	5,511,121.37	5,507,226.65	Interactive Data
CBB Money Market Fund	CBB Money Market Fund	CBB Wealth Mgt	N/A	N/A	1.560%	273,873.61	273,873.61	273,873.61	N/A
Union Bank (2010 Refunding Revenue Bond Trustee)									
Revenue Fund	BlackrockT-Fund Inst Shares	Union Bank	N/A	N/A	N/A	2,098,919.83	2,098,919.83	2,098,919.83	Union Bank
Interest Account	BlackrockT-Fund Inst Shares	Union Bank	N/A	N/A	2.240%	512.10	512.10	512.10	Union Bank
Union Bank (2013 Revenue Bond Trustee)									
Revenue Fund	BlackrockT-Fund Inst Shares	Union Bank	N/A	N/A	N/A	292,275.76	292,275.76	292,275.76	Union Bank
Interest Account	BlackrockT-Fund Inst Shares	Union Bank	N/A	N/A	2.240%	287.05	287.05	287.05	Union Bank
Total Cash and Investments						<u>25,014,040.92</u>	<u>25,014,162.29</u>	<u>25,010,267.57</u>	

<u>SUMMARY</u>	<u>Book Value</u>	<u>Market Value</u>	<u>%</u>
Cash	1,945,698.57	1,945,698.57	7.78%
LAIF	14,891,474.00	14,891,474.00	59.54%
Treasury/Agency Securities	5,511,121.37	5,507,226.65	22.02%
Money Market Treasury Funds	2,665,868.35	2,665,868.35	10.66%
Total Cash and Investments	25,014,162.29	25,010,267.57	100.00%
Less: Funds designated for Capital Improvements	(2,595,000.00)	(2,595,000.00)	-10.38%
Less: Funds designated for Bond debt service	(2,391,994.74)	(2,391,994.74)	-9.56%
Less: Restricted Capacity Fees	(3,315,422.00)	(3,315,422.00)	-13.26%
Less: Customer / Construction Deposits	(1,519,517.33)	(1,519,517.33)	-6.08%
Less: Funds designated for rate stabilization	(268,447.00)	(268,447.00)	-1.07%
Less: Funds designated for emergency reserve	(2,186,450.00)	(2,186,450.00)	-8.74%
Total Unrestricted / Undesignated Cash and Investments	12,737,331.22	12,733,436.50	50.91%

I certify that this report accurately reflects all pooled investments and is in compliance with California Government Code Sec. 53646 as amended 1/1/96. This report is also in conformity with the investment policy of East Valley Water District. As Treasurer of East Valley Water District, I hereby certify that sufficient investment liquidity and anticipated revenue are available to meet the next six month's estimated expenditures.



Signature

10/17/2019

Date

EAST VALLEY WATER DISTRICT
Investment Activity
Quarter Ended September 30, 2019

						Activity (Book Value)								
Purch Date	Issuer	CUSIP	Yield	Units / Face Value	Maturity Date	7/1/2019	Amort Cost Adjustment	Adjusted Cost 7/1/2019	Purchases	Matured / Called	Adjusted Cost 9/30/2019	Market Value 9/30/2019	Water	Sewer
01/27/16	Federal Home Loan Bank	3130A6XY8	2.000%	100,000	01/27/21	100,000.00		100,000.00			100,000.00	100,002.00	100,002.00	
10/12/16	Federal Home Loan Bank	3130A9GS4	1.700%	100,000	10/12/21	100,000.00		100,000.00			100,000.00	99,808.00	99,808.00	
10/29/15	Federal Home Loan	3130A6NA1	1.400%	100,000	10/29/19	100,000.00		100,000.00			100,000.00	99,965.00	99,965.00	
12/09/16	Federal Home Loan	313371U79	3.125%	200,000	12/11/20	204,164.98		204,164.98			204,164.98	203,056.00	203,056.00	
08/03/16	Federal Home Loan	3130A8WW9	1.300%	100,000	05/01/20	100,000.00		100,000.00			100,000.00	99,678.00	99,678.00	
05/31/18	FHLB	3130AEBM1	2.750%	100,000	05/10/21	99,892.00		99,892.00			99,892.00	102,915.00	102,915.00	
05/31/17	US Treasury Note	912828XR6	1.750%	300,000	05/31/22	299,765.63		299,765.63			299,765.63	301,125.00	301,125.00	
03/15/16	Fannie Mae	3136G3CK9	1.520%	300,000	06/15/20	299,745.00		299,745.00			299,745.00	299,322.00	299,322.00	
07/28/16	Fannie Mae	3136G3J30	1.600%	100,000	07/28/21	100,000.00		100,000.00			100,000.00	99,804.00	99,804.00	
08/04/16	Fannie Mae	3136G3XV2	1.100%	100,000	07/27/20	99,750.00		99,750.00			99,750.00	99,344.00	99,344.00	
08/24/16	Fannie Mae	3135G0N66	1.400%	100,000	08/24/20	99,981.00		99,981.00			99,981.00	99,590.00	99,590.00	
08/25/16	Fannie Mae	3136G3Y33	1.400%	300,000	08/25/21	300,000.00		300,000.00			300,000.00	298,428.00	298,428.00	
10/27/15	Freddie Mac	3134G3F88	1.500%		08/28/19	100,118.17		100,118.17		100,118.17	-	-	-	
04/03/19	Freddie Mac	3130AG7E9	1.000%		04/03/20	200,000.00		200,000.00		200,000.00	-	-	-	
08/25/16	Freddie Mac	3134G95L7	1.600%	200,000	08/25/21	200,000.00		200,000.00			200,000.00	198,714.00	198,714.00	
09/20/16	Freddie Mac	3134GALQ5	1.300%		09/20/19	100,000.00		100,000.00		100,000.00	-	-	-	
09/30/16	Freddie Mac	3134GAHK3	1.600%	200,000	09/30/21	199,800.00		199,800.00			199,800.00	199,126.00	199,126.00	
07/27/17	Freddie Mac	3134GBZS4	2.150%	300,000	04/27/22	300,000.00		300,000.00			300,000.00	300,084.00	300,084.00	
12/14/18	Federal Farm Credit Bank	3133EJ2R9	2.750%	100,000	12/14/20	99,862.00		-			99,862.00	101,076.00	101,076.00	
10/24/18	Federal Home Loan Bank	3130AFBQ9	2.750%	200,000	10/24/19	200,002.00		-			200,002.00	200,114.00	200,114.00	
05/16/19	Federal Home Loan Bank	3130AGDT9	2.500%		11/16/20	200,000.00				200,000.00	-	-	-	
07/08/19	Freddie Mac	3134GTWT6	2.550%	100,000	07/01/24	-			100,000.00		100,000.00	100,000.00	100,000.00	
07/08/19	Freddie Mac	3134GTTL7	2.350%		06/17/21	-			200,000.00	200,000.00	-	-	-	
08/21/19	Federal Home Loan Bank	3130AGX91	2.000%	100,000	08/21/20	-			100,000.00		100,000.00	99,938.00	99,938.00	
08/27/19	Federal Home Loan Bank	3130AGYB5	2.050%	100,000	08/27/21				100,000.00		100,000.00	99,726.00	99,726.00	
09/25/19	Freddie Mac	3134GUBA7	2.250%	200,000	09/16/24				199,988.00		199,988.00	200,000.00	200,000.00	
09/10/19	Federal Home Loan Bank	3130AH2K8	2.050%	100,000	09/10/19				100,000.00		100,000.00	100,002.00	100,002.00	
09/19/19	Federal Home Loan Bank	3130AH4N0	2.020%	100,000	09/19/19				100,000.00		100,000.00	100,005.00	100,005.00	
12/09/16	Tenn Valley Authority	880591EL2	3.875%	111,000	02/15/21	113,171.44	(2,276.00)	110,895.44		(3,465.92)	114,361.36	114,124.65		114,124.65
11/04/16	US Treasury Note	912828T67	1.250%	500,000	10/31/21	499,765.63		499,765.63			499,765.63	495,940.00		495,940.00
06/14/16	Federal Home Loan Bank	3130A8EN9	1.640%	100,000	06/14/21	100,000.00		100,000.00			100,000.00	99,260.00		99,260.00
05/27/16	Fannie Mae	3136G15S4	1.250%	200,000	12/27/19	199,250.00		199,250.00			199,250.00	199,594.00		199,594.00
08/30/16	Fannie Mae	3136G35C5	1.400%	100,000	08/25/21	100,000.00		100,000.00			100,000.00	99,587.00		99,587.00
08/25/16	Freddie Mac	3134G93Q8	1.680%	200,000	08/25/21	200,000.00		200,000.00			200,000.00	199,374.00		199,374.00
09/14/17	Freddie Mac	3134GBC83	2.070%	200,000	06/14/22	200,000.00		200,000.00			200,000.00	200,140.00		200,140.00
01/02/18	US Treasury Note	912828N89	1.375%	500,000	01/31/21	493,115.86		493,115.86		(1,677.91)	494,793.77	497,385.00		497,385.00
				5,511,000		5,408,383.71	(2,276.00)	4,906,243.71	899,988.00	794,974.34	5,511,121.37	5,507,226.65	3,601,822.00	1,905,404.65