



EAST VALLEY WATER DISTRICT

LEADERSHIP • PARTNERSHIP • STEWARDSHIP

BOARD AGENDA STAFF REPORT

Agenda Item #2.d.
Meeting Date: July 22, 2020
Consent Item

To: Governing Board Members

From: General Manager/CEO

Subject: Investment Report for Quarter Ended June 30, 2020

RECOMMENDATION:

Staff recommends that the Board of Directors accept and file the attached Investment Report for the quarter ended, June 30, 2020.

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 June 30, 2020. Attachment A presents the investment securities purchased and retired during the quarter April to June 2020. 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 \$15,248,181. Interest earned during the previous quarter of \$73,105 was posted to the account in January. There were transfer during the quarter resulting in a balance of \$15,321,286, at the end of the quarter.

LAIF earnings for the quarter ended June 30, 2020 were \$51,697.54, calculated at an apportionment rate of 1.36%; down from 2.03% which had been in effect for the previous quarter. The earnings were posted to the District's account on July 15, 2020.

Citizen's Business Bank (CBB) Wealth Management

The total (book) value of the assets held with CBB increased \$19,598 to \$5,851,739 during the quarter ended June 30, 2020. The balance in this account is held both in a money market account (\$222,001) and in a \$5,632,015 portfolio of Treasury and federal agency securities shown on Attachment A.

Net interest payments received on securities in the District's portfolio were \$23,040 and funds held in money market accounts earned \$380.

Investment manager fees paid during the quarter were \$2,224. Earnings were decreased by a \$1,598 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 June 30, 2020:

<u>Account</u>	<u>Beg Bal</u>	<u>Deposits/ (Withdrawals)</u>	<u>Earnings</u>	<u>Fees</u>	<u>Disc / Prem Amortization</u>	<u>Ending Balance</u>
LAIF	\$ 15,248,181	\$ -	\$ 73,105	\$ -	\$ -	\$ 15,321,286
CBB Wealth Mgt	5,832,141	-	23,420	(2,224)	(1,598)	5,851,739

Restricted Investments

Trust accounts with Union Bank are used to safeguard funds which are restricted by bond covenants. The accounts remaining open as of June 30, 2020, 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 June 30, 2020:

<u>2010 Accounts</u>	<u>Beg Bal</u>	<u>District Deposits</u>	<u>Earnings</u>	<u>Transfers</u>	<u>Withdrawals/ Payments</u>	<u>Ending Balance</u>
Revenue Fd	\$ -	\$ -	\$ -	\$ 479,932	\$ (479,932)	\$ -
Interest Acct	479,932	-	4	(479,932)	-	4

<u>2013 Accounts</u>	<u>Beg Bal</u>	<u>District Deposits</u>	<u>Earnings</u>	<u>Transfers</u>	<u>Withdrawals/ Payments</u>	<u>Ending Balance</u>
Revenue Fd	\$ -	\$ -	\$ -	\$ 292,562	\$ (292,562)	\$ -
Interest Acct	292,562	-	-	(292,562)	-	-

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 June 30 2020	Cover Memo
Attachment A - CBB Investment Activity Rpt Qtr Ended June 30 2020	Backup Material

EAST VALLEY WATER DISTRICT
INVESTMENT REPORT
QUARTER ENDED
June 30, 2020

		Funds Managed By	Purchase Date	Maturity Date	Interest Rate	Face Value	Book Value	Market Value	Source of Valuation
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	3,102,520.84	3,102,520.84	3,102,520.84	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	1.360%	13,697,539.84	13,697,539.84	13,697,539.84	LAIF
Local Agency Investment Fund - Designated for Debt Service		State of California	N/A	N/A	1.360%	1,623,747.25	1,623,747.25	1,623,747.25	LAIF
Citizens Business Bank									
US Treasury / Agency Bonds		CBB Wealth Mgt		See Attached		5,511,000.00	5,629,738.00	5,683,093.00	Interactive Data
CBB Money Market Fund		CBB Wealth Mgt	N/A	N/A	0.026%	222,001.73	222,001.73	222,001.73	N/A
Union Bank (2010 Refunding Revenue Bond Trustee)									
Revenue Fund		BlackrockT-Fund Inst Shares	Union Bank	N/A	N/A	-	-	-	Union Bank
Interest Account		BlackrockT-Fund Inst Shares	Union Bank	N/A	1.240%	4.65	4.65	4.65	Union Bank
Union Bank (2013 Revenue Bond Trustee)									
Revenue Fund		BlackrockT-Fund Inst Shares	Union Bank	N/A	N/A	-	-	-	Union Bank
Interest Account		BlackrockT-Fund Inst Shares	Union Bank	N/A	1.240%	-	-	-	Union Bank
Total Cash and Investments						24,182,064.31	24,300,802.31	24,354,157.31	

SUMMARY	Book Value	Market Value	%
Cash	3,127,770.84	3,127,770.84	12.84%
LAIF	15,321,287.09	15,321,287.09	62.91%
Treasury/Agency Securities	5,629,738.00	5,683,093.00	23.34%
Money Market Treasury Funds	222,006.38	222,006.38	0.91%
Total Cash and Investments	24,300,802.31	24,354,157.31	100.00%
Less: Funds designated for Capital Improvements	(2,595,000.00)	(2,595,000.00)	-10.66%
Less: Funds designated for Bond debt service	(1,623,751.90)	(1,623,751.90)	-6.67%
Less: Restricted Capacity Fees	(5,966,183.34)	(5,966,183.34)	-24.50%
Less: Customer / Construction Deposits	(1,501,430.50)	(1,501,430.50)	-6.16%
Less: Funds designated for rate stabilization	(268,447.00)	(268,447.00)	-1.10%
Less: Funds designated for emergency reserve	(2,186,450.00)	(2,186,450.00)	-8.98%
Total Unrestricted / Undesignated Cash and Investments	10,159,539.57	10,212,894.57	41.93%

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

7/15/2020
Date

EAST VALLEY WATER DISTRICT
Investment Activity
Quarter Ended June 30, 2020

Purch Date	Issuer	CUSIP	Yield	Units / Face Value	Maturity Date	Activity (Book Value)						Market Value 6/30/2020	Water	Sewer
						6/1/2020	Amort Cost Adjustment	Adjusted Cost 6/1/2020	Purchases	Matured / Called	Adjusted Cost 6/30/2020			
10/12/16	Federal Home Loan Bank	3130A9GS4	1.700%		10/12/21			100,000.00		100,000.00	-	-		
12/09/16	Federal Home Loan	313371U79	3.125%	200,000	12/11/20	202,788.62		202,788.62		1,388.29	201,400.33	202,648.00	202,648.00	
08/03/16	Federal Home Loan	3130A8WW9	1.300%		05/01/20			100,000.00		100,000.00	-	-		
05/31/18	FHLB	3130AEBM1	2.750%	100,000	05/10/21	99,892.00		99,892.00			99,892.00	104,788.00	104,788.00	
05/31/17	US Treasury Note	912828XR6	1.750%	300,000	05/31/22	299,765.63		299,765.63			299,765.63	309,036.00	309,036.00	
07/28/16	Fannie Mae	3136G3J30	1.600%		07/28/21			100,000.00		100,000.00	-	-		
08/04/16	Fannie Mae	3136G3XV2	1.100%	100,000	07/27/20	99,750.00		99,750.00			99,750.00	100,067.00	100,067.00	
08/24/16	Fannie Mae	3135G0N66	1.400%		08/24/20			99,981.00		99,981.00	-	-		
08/25/16	Fannie Mae	3136G3Y33	1.400%	300,000	08/25/21	300,000.00		300,000.00			300,000.00	303,933.00	303,933.00	
08/25/16	Freddie Mac	3134G9SL7	1.600%		08/25/21			200,000.00		200,000.00	-	-		
12/14/18	Federal Farm Credit Bank	3133EJ2R9	2.750%	100,000	12/14/20	99,862.00		99,862.00			99,862.00	101,160.00	101,160.00	
12/16/19	Freddie Mac	3130ADMJ8	2.375%	100,000	08/26/22	100,717.08		100,717.08			100,717.08	101,321.00	101,321.00	
10/30/19	Federal Home Loan Bank	3130AHGV9	1.800%		10/28/21			200,000.00		200,000.00	-	-		
12/12/19	Freddie Mac	3134GT3N1	1.750%	100,000	08/29/22	99,901.00		99,901.00			99,901.00	100,116.00	100,116.00	
11/26/19	Freddie Mac	3134GUUC2	1.750%		11/26/21			200,000.00		200,000.00	-	-		
01/06/20	Federal Home Loan Bank	3130AEWA4	2.625%	150,000	10/01/20	151,092.00		151,092.00		359.27	150,732.73	150,918.00	150,918.00	
03/24/20	Federal Home Loan Bank	3130AJF53	1.375%		09/12/24			299,850.00		299,850.00	-	-		
01/30/20	Federal Farm Credit Bank	3133ELJT2	1.940%		04/23/24			100,000.00		100,000.00	-	-		
03/16/20	Federal Farm Credit Bank	3133ELSU9	1.250%		09/12/24			199,850.00		199,850.00	-	-		
01/21/20	Tenn Valley Authority	880591ER9	2.875%	200,000	09/15/24	209,989.01		209,989.01	109,907.00		319,896.01	330,888.00	330,888.00	
01/07/20	US Treasury Note	912828C57	2.250%	300,000	03/31/21	301,980.78		301,980.78			301,980.78	304,665.00	304,665.00	
12/09/16	Tenn Valley Authority	880591EL2	3.875%	111,000	02/15/21	113,247.18	(2,276.00)	110,971.18			110,971.18	113,515.26		113,515.26
11/04/16	US Treasury Note	912828T67	1.250%	500,000	10/31/21	499,765.63		499,765.63			499,765.63	507,170.00		507,170.00
08/30/16	Fannie Mae	3136G35C5	1.400%		08/25/21			100,000.00		100,000.00	-	-		
08/25/16	Freddie Mac	3134G93Q8	1.680%		08/25/21			200,000.00		200,000.00	-	-		
01/02/18	US Treasury Note	912828N89	1.375%	500,000	01/31/21	496,517.25		496,517.25			496,517.25	503,440.00		503,440.00
01/10/20	Federal Home Loan Bank	3130AHUM3	225.000%	300,000	01/10/25	300,000.00		300,000.00			300,000.00	300,087.00		300,087.00
01/21/20	Freddie Mac	3134GU4S6	1.800%	100,000	04/21/23	100,000.00		100,000.00			100,000.00	100,078.00		100,078.00
04/08/20	Freddie Mac	3134GVJP4	1.125%	100,000	10/07/22	-		-	100,000.00		100,000.00	100,016.00	100,016.00	-
04/21/20	Federal Farm Credit Bank	3133ELWT7	1.150%	100,000	10/21/24	-		-	100,000.00		100,000.00	100,002.00	100,002.00	-
04/23/20	Fannie Mae	3135G03Q4	1.100%	150,000	04/23/25	-		-	150,000.00		150,000.00	150,163.50	150,163.50	-
04/30/20	Federal Farm Credit Bank	3133ELXV1	1.010%	300,000	04/28/20	-		-	300,000.00		300,000.00	300,009.00	300,009.00	-
05/20/20	freddie Mac	3134GVRM2	0.900%	100,000	05/06/25	-		-	99,993.00		99,993.00	100,037.00		99,993.00
05/28/20	Federal Farm Credit Bank	3133ELZY3	0.640%	200,000	05/20/24	-		-	199,800.00		199,800.00	199,810.00		199,810.00
05/29/20	US Treasury Note	912828ZP8	0.125%	300,000	05/15/23	-		-	299,203.13		299,203.13	299,556.00	299,556.00	
05/29/20	freddie Mac	3134GVZS0	0.900%	100,000	05/28/25	-		-	99,990.00		99,990.00	100,027.00		100,027.00
06/03/20	Federal Farm Credit Bank	3133ELE59	0.670%	100,000	06/03/24	-		-	100,000.00		100,000.00	100,005.00		100,005.00
06/17/20	Federal Farm Credit Bank	3133ELH56	0.270%	200,000	06/09/22				199,750.00		199,750.00	199,906.00	199,906.00	-
06/29/20	Federal Farm Credit Bank	3133ELN75	0.230%	300,000	06/23/21				299,850.00		299,850.00	299,805.00	299,805.00	-
06/30/20	Federal Home Loan Bank	3130AJQR3	0.450%	100,000	06/30/23				100,000.00		100,000.00	99,926.00	99,926.00	-
											-			
						-		-			-	-		-
						-		-			-	-		-
				5,511,000		3,475,268	(2,276)	5,372,673	2,158,493	1,901,429	5,629,738	5,683,093	3,658,924	2,024,125