



## EAST VALLEY WATER DISTRICT

LEADERSHIP • PARTNERSHIP • STEWARDSHIP

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### BOARD AGENDA STAFF REPORT

Agenda Item #2.c.  
Meeting Date: January 22, 2020  
Consent Item

**To:** Governing Board Members

**From:** General Manager/CEO

**Subject:** Approve Investment Report for Quarter Ended December 31, 2019

#### **RECOMMENDATION:**

Staff recommends that the Board of Directors accept and file the attached Investment Report for the quarter ended, December 31, 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 December 31, 2019. Attachment A presents the investment securities purchased and retired during the quarter October to December 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 \$14,891,474. Interest earned during the previous quarter of 91,727 was posted to the account in October. There were 4 transfers out during the quarter totaling \$9,300,000 resulting in a balance of \$5,683,201, at the end of the quarter.

LAIF earnings for the quarter ended December 31, 2019 were \$64,980, calculated at an apportionment rate of 2.29% ; down from 2.45% which had been in effect for the previous quarter. The earnings were posted to the District's account on January 15, 2020.

##### Citizen's Business Bank (CBB) Wealth Management

The total (book) value of the assets held with CBB increased \$24,871 to \$5,809,866 during the quarter ended December 31, 2019. The balance in this account is held both in a money market account (\$998,650) and in a \$4,811,216 portfolio of Treasury and federal agency securities shown on Attachment A.

Net interest payments received on securities in the District's portfolio were \$27,426 and funds held in money market accounts earned \$1,587.

Investment manager fees paid during the quarter were \$2,168. Earnings were decreased by a \$1,974 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 December 31, 2019:

<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	\$ 14,891,474	\$ (9,300,000)	\$ 91,727	\$ -	\$ -	\$ 5,683,201
CBB Wealth Mgt	5,784,995	-	29,013	(2,168)	(1,974)	\$ 5,809,866

### **Restricted Investments**

Trust accounts with Union Bank are used to safeguard funds which are restricted by bond covenants. The accounts remaining open as of December 31, 2019, are used to receive District deposits, from which the Trustee (Union Bank) pays District bondholders.

Semiannual bond payment dates are April 1<sup>st</sup> and October 1<sup>st</sup>.

### Summary Schedule of Union Bank Trustee Accounts

The following schedule summarizes activity in the Union Bank accounts for the Quarter ended December 31, 2019:

<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	\$ 2,098,920	\$ -	\$ -	\$ 512	\$ (2,099,432)	-
Interest Acct	512	-	1,021	\$ (512)	\$ -	1,021

<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	\$ 292,276	\$ -	\$ -	\$ 287	\$ (292,563)	-
Interest Acct	287	-	143	(287)	\$ -	143

### **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**

Investment Rpt Qtr Ended Dec 31 2019

Attachment A - CBB Investment Activity Rpt Qtr Ended Dec 31 2019

**Type**

Cover Memo


Backup Material

**EAST VALLEY WATER DISTRICT  
INVESTMENT REPORT  
QUARTER ENDED  
December 31, 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>
<b>Funds Held by EVWD</b>									
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	1,107,290.50	1,107,290.50	1,107,290.50	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
<b>Funds Held by EVWD Under Management of an Outside Party</b>									
<b>Local Agency Investment Fund - Undesignated</b>		State of California	N/A	N/A	2.290%	5,683,201.37	5,683,201.37	5,683,201.37	LAIF
<b>Local Agency Investment Fund - Designated for Debt Service</b>		State of California	N/A	N/A	2.290%	-	-	-	LAIF
<b>Citizens Business Bank</b>									
US Treasury / Agency Bonds		CBB Wealth Mgt		See Attached		4,811,000.00	4,808,940.01	4,813,337.53	Interactive Data
CBB Money Market Fund	CBB Money Market Fund	CBB Wealth Mgt	N/A	N/A	1.520%	998,649.90	998,649.90	998,649.90	N/A
<b>Union Bank (2010 Refunding Revenue Bond Trustee)</b>									
Revenue Fund	BlackrockT-Fund Inst Shares	Union Bank	N/A	N/A	N/A	-	-	-	Union Bank
Interest Account	BlackrockT-Fund Inst Shares	Union Bank	N/A	N/A	1.350%	1,021.49	1,021.49	1,021.49	Union Bank
<b>Union Bank (2013 Revenue Bond Trustee)</b>									
Revenue Fund	BlackrockT-Fund Inst Shares	Union Bank	N/A	N/A	N/A	-	-	-	Union Bank
Interest Account	BlackrockT-Fund Inst Shares	Union Bank	N/A	N/A	1.300%	142.90	142.90	142.90	Union Bank
<b>Total Cash and Investments</b>						<u>12,626,556.16</u>	<u>12,624,496.17</u>	<u>12,628,893.69</u>	

<u>SUMMARY</u>	<u>Book Value</u>	<u>Market Value</u>	<u>%</u>
Cash	1,132,540.50	1,132,540.50	8.97%
LAIF	5,683,201.37	5,683,201.37	45.00%
Treasury/Agency Securities	4,808,940.01	4,813,337.53	38.11%
Money Market Treasury Funds	999,814.29	999,814.29	7.92%
<b>Total Cash and Investments</b>	12,624,496.17	12,628,893.69	100.00%
Less: Funds designated for Capital Improvements	(2,595,000.00)	(2,595,000.00)	-20.55%
Less: Funds designated for Bond debt service	(1,164.39)	(1,164.39)	-0.01%
Less: Restricted Capacity Fees	(5,677,113.34)	(5,677,113.34)	-44.95%
Less: Customer / Construction Deposits	(1,190,634.70)	(1,190,634.70)	-9.43%
Less: Funds designated for rate stabilization	(268,447.00)	(268,447.00)	-2.13%
Less: Funds designated for emergency reserve	(2,186,450.00)	(2,186,450.00)	-17.31%
<b>Total Unrestricted / Undesignated Cash and Investments</b>	705,686.74	710,084.26	5.62%

*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

1/16/2020  
\_\_\_\_\_  
Date



**EAST VALLEY WATER DISTRICT**  
**Investment Activity**  
**Quarter Ended December 31, 2019**

Activity (Book Value)														
Purch Date	Issuer	CUSIP	Yield	Units / Face Value	Maturity Date	10/1/2019	Amort Cost Adjustment	Adjusted Cost 10/1/2019	Purchases	Matured / Called	Adjusted Cost 12/31/2019	Market Value 12/31/2019	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	99,999.00	99,999.00	
10/12/16	Federal Home Loan Bank	3130A9GS4	1.700%	100,000	10/12/21	100,000.00		100,000.00			100,000.00	99,887.00	99,887.00	
10/29/15	Federal Home Loan	3130A6NA1	1.400%		10/29/19	100,000.00		100,000.00		100,000.00	-	-	-	
12/09/16	Federal Home Loan	313371U79	3.125%	200,000	12/11/20	204,164.98		204,164.98		1,376.36	202,788.62	202,746.00	202,746.00	
08/03/16	Federal Home Loan	3130A8WW9	1.300%	100,000	05/01/20	100,000.00		100,000.00			100,000.00	99,890.00	99,890.00	
05/31/18	FHLB	3130AEBM1	2.750%	100,000	05/10/21	99,892.00		99,892.00			99,892.00	102,744.00	102,744.00	
05/31/17	US Treasury Note	912828XR6	1.750%	300,000	05/31/22	299,765.63		299,765.63			299,765.63	301,173.00	301,173.00	
03/15/16	Fannie Mae	3136G3CK9	1.520%	300,000	06/15/20	299,745.00		299,745.00			299,745.00	299,898.00	299,898.00	
07/28/16	Fannie Mae	3136G3J30	1.600%	100,000	07/28/21	100,000.00		100,000.00			100,000.00	99,880.00	99,880.00	
08/04/16	Fannie Mae	3136G3XV2	1.100%	100,000	07/27/20	99,750.00		99,750.00			99,750.00	99,693.00	99,693.00	
08/24/16	Fannie Mae	3135G0N66	1.400%	100,000	08/24/20	99,981.00		99,981.00			99,981.00	99,825.00	99,825.00	
08/25/16	Fannie Mae	3136G3Y33	1.400%	300,000	08/25/21	300,000.00		300,000.00			300,000.00	298,893.00	298,893.00	
08/25/16	Freddie Mac	3134G95L7	1.600%	200,000	08/25/21	200,000.00		200,000.00			200,000.00	198,924.00	198,924.00	
09/30/16	Freddie Mac	3134GAHK3	1.600%	200,000	09/30/21	199,800.00		199,800.00			199,800.00	199,702.00	199,702.00	
07/27/17	Freddie Mac	3134GBZS4	2.150%		04/27/22	300,000.00		300,000.00		300,000.00	-	-	-	
12/14/18	Federal Farm Credit Bank	3133EJ2R9	2.750%	100,000	12/14/20	99,862.00		99,862.00			99,862.00	101,192.00	101,192.00	
10/24/18	Federal Home Loan Bank	3130AFBQ9	2.750%		10/24/19	200,002.00		200,002.00		200,002.00	-	-	-	
07/08/19	Freddie Mac	3134GTWT6	2.550%		07/01/24	100,000.00		100,000.00		100,000.00	-	-	-	
08/21/19	Federal Home Loan Bank	3130AGX91	2.000%		08/21/20	100,000.00		100,000.00		100,000.00	-	-	-	
08/27/19	Federal Home Loan Bank	3130AGYB5	2.050%		08/27/21	100,000.00		100,000.00		100,000.00	-	-	-	
09/25/19	Freddie Mac	3134GUBA7	2.250%		09/16/24	199,988.00		199,988.00		199,988.00	-	-	-	
09/10/19	Federal Home Loan Bank	3130AH2K8	2.050%		09/10/19	100,000.00		100,000.00		100,000.00	-	-	-	
09/19/19	Federal Home Loan Bank	3130AH4N0	2.020%		09/19/19	100,000.00		100,000.00		100,000.00	-	-	-	
09/19/19	Federal Home Loan Bank	3130AHA52	2.000%		12/30/20	100,000.00		100,000.00		100,000.00	-	-	-	
12/16/19	Freddie Mac	3130ADMJ8	2.375%	100,000	08/26/22	-		-	100,830.00		100,830.00	100,752.00	100,752.00	
10/30/19	Federal Home Loan Bank	3130AHGV9	1.800%	200,000	10/28/21	-		-	200,000.00		200,000.00	199,852.00	199,852.00	
10/31/19	Federal Farm Credit Bank	3133EHMH3	2.000%	300,000	03/14/22	-		-	300,000.00		300,000.00	299,931.00	299,931.00	
11/13/19	Federal Farm Credit Bank	3133EK5X0	1.680%	100,000	02/12/21	-		-	99,980.00		99,980.00	100,005.00	100,005.00	
12/12/19	Freddie Mac	3134GT3N1	1.750%	100,000	08/29/22	-		-	99,901.00		99,901.00	99,980.00	99,980.00	
11/26/19	Freddie Mac	3134GUUC2	1.750%	200,000	11/26/21	-		-	200,000.00		200,000.00	200,010.00	200,010.00	
12/09/16	Tenn Valley Authority	880591EL2	3.875%	111,000	02/15/21	114,361.36	(2,276.00)	112,085.36			112,085.36	113,467.53		113,467.53
11/04/16	US Treasury Note	912828T67	1.250%	500,000	10/31/21	499,765.63		499,765.63			499,765.63	496,990.00		496,990.00
06/14/16	Federal Home Loan Bank	3130A8EN9	1.640%	100,000	06/14/21	100,000.00		100,000.00			100,000.00	99,907.00		99,907.00
05/27/16	Fannie Mae	3136G15S4	1.250%		12/27/19	199,250.00		199,250.00		199,250.00	-	-	-	
08/30/16	Fannie Mae	3136G35C5	1.400%	100,000	08/25/21	100,000.00		100,000.00			100,000.00	99,824.00		99,824.00
08/25/16	Freddie Mac	3134G93Q8	1.680%	200,000	08/25/21	200,000.00		200,000.00			200,000.00	199,558.00		199,558.00
09/14/17	Freddie Mac	3134GBC83	2.070%		06/14/22	200,000.00		200,000.00		200,000.00	-	-	-	
01/02/18	US Treasury Note	912828N89	1.375%	500,000	01/31/21	494,793.77		494,793.77			494,793.77	498,615.00		498,615.00
				4,811,000		5,611,121.37	(2,276.00)	5,608,845.37	1,000,711.00	1,800,616.36	4,808,940.01	4,813,337.53	3,304,976.00	1,508,361.53