



# EAST VALLEY WATER DISTRICT

LEADERSHIP • PARTNERSHIP • STEWARDSHIP

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## BOARD AGENDA STAFF REPORT

Agenda Item #2.b.  
Meeting Date: October 28, 2020  
Consent Item

**To:** Governing Board Members  
**From:** General Manager/CEO

**Subject:** Approve Investment Report for Quarter Ended September 30, 2020

### **RECOMMENDATION:**

Staff recommends that the Board of Directors accept and file the attached Investment Report for the quarter ended, September 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 September 30, 2020. Attachment A presents the investment securities purchased and retired during the quarter July to September 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 \$15,321,286. Interest earned during the previous quarter of \$55,906 was posted to the account in July. There were \$9,350,000 in transfers out during the quarter resulting in a balance of \$6,027,193, at the end of the quarter.

LAIF earnings for the quarter ended September 30, 2020 were \$18,417, calculated at an apportionment rate of 0.84%; down from 1.36% which had been in effect for the previous quarter. The earnings were posted to the District's account on October 15, 2020.

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

The total (book) value of the assets held with CBB increased \$20,251 to \$5,871,990 during the quarter ended September 30, 2020. The balance in this account is held both in a money market account (\$393,945) and in a \$5,478,044 portfolio of Treasury and federal agency securities shown on Attachment A.

Net interest payments received on securities in the District's portfolio were \$24,344 and funds held in money market accounts earned \$100.

Investment manager fees paid during the quarter were \$2,227. Earnings were decreased by a \$1,966 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, 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	\$ 15,321,286	\$ (9,350,000)	\$ 55,906	\$ -	\$ -	\$ 6,027,192
CBB Wealth Mgt	5,851,739	-	24,444	(2,227)	(1,966)	5,871,990

### **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, 2020, 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 September 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	\$ -	\$ -	\$ -	\$ 2,129,935	\$ (2,129,935)	\$ -
Interest Acct	4	2,129,927	4	(2,129,935)	-	-

<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	\$ -	\$ -	\$ -	\$ 292,563	\$ (292,563)	\$ -
Interest Acct	-	292,563	-	(292,563)	-	-

### **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 Report for Qtr Ended Sep 30 2020	Backup Material
Attachment A - CBB Investment Activity Rpt Qtr Ended Sept 30 2020	Backup Material

**EAST VALLEY WATER DISTRICT  
INVESTMENT REPORT  
QUARTER ENDED  
September 30, 2020**

		<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	1,897,473.00	1,897,473.00	1,897,473.00	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	0.840%	6,027,193.32	6,027,193.32	6,027,193.32	LAIF
<b>Local Agency Investment Fund - Designated for Debt Service</b>		State of California	N/A	N/A	0.840%	-	-	-	LAIF
<b>Citizens Business Bank</b>									
US Treasury / Agency Bonds		CBB Wealth Mgt		See Attached		5,361,000.00	5,475,768.35	5,519,769.52	Interactive Data
CBB Money Market Fund	CBB Money Market Fund	CBB Wealth Mgt	N/A	N/A	0.026%	393,945.33	393,945.33	393,945.33	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	1.240%	-	-	-	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	1.240%	-	-	-	Union Bank
<b>Total Cash and Investments</b>						<u>13,704,861.65</u>	<u>13,819,630.00</u>	<u>13,863,631.17</u>	

<u>SUMMARY</u>	<u>Book Value</u>	<u>Market Value</u>	<u>%</u>
Cash	1,922,723.00	1,922,723.00	13.87%
LAIF	6,027,193.32	6,027,193.32	43.47%
Treasury/Agency Securities	5,475,768.35	5,519,769.52	39.81%
Money Market Treasury Funds	393,945.33	393,945.33	2.84%
<b>Total Cash and Investments</b>	<u>13,819,630.00</u>	<u>13,863,631.17</u>	<u>99.99%</u>
Less: Funds designated for Bond debt service	-	-	0.00%
Less: Restricted Capacity Fees	(6,583,103.06)	(6,583,103.06)	-47.48%
Less: Customer / Construction Deposits	(1,490,425.53)	(1,490,425.53)	-10.75%
Less: Funds designated for rate stabilization	(268,447.00)	(268,447.00)	-1.94%
<b>Total Unrestricted / Undesignated Cash and Investments</b>	<u>5,477,654.41</u>	<u>5,521,655.58</u>	<u>39.82%</u>

*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.*

  
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 Signature

10/21/2020  
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 Date

**EAST VALLEY WATER DISTRICT**  
**Investment Activity**  
**Quarter Ended September 30, 2020**

Activity (Book Value)														
Purch Date	Issuer	CUSIP	Yield	Units / Face Value	Maturity Date	6/1/2020	Amort Cost Adjustment	Adjusted Cost 6/1/2020	Purchases	Matured / Called	Adjusted Cost 6/30/2020	Market Value 6/30/2020	Water	Sewer
08/04/16	Fannie Mae	3136G3XV2	1.100%		07/27/20	99,750.00		99,750.00		99,750.00	-	-	-	
08/25/16	Fannie Mae	3136G3Y33	1.400%	300,000	08/25/21	300,000.00		300,000.00			300,000.00	303,363.00	303,363.00	
11/04/16	US Treasury Note	912828T67	1.250%	500,000	10/31/21	499,765.63		499,765.63			499,765.63	506,055.00		506,055.00
12/09/16	Federal Home Loan	313371U79	3.125%	200,000	12/11/20	201,400.33		201,400.33			201,400.33	201,168.00	201,168.00	
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	112,534.02		112,534.02
05/31/17	US Treasury Note	912828XR6	1.750%	300,000	05/31/22	299,765.63		299,765.63			299,765.63	308,097.00	308,097.00	
01/02/18	US Treasury Note	912828N89	1.375%	500,000	01/31/21	496,517.25		496,517.25			496,517.25	502,050.00		502,050.00
05/31/18	FHLB	3130AEBM1	2.750%	100,000	05/10/21	99,892.00		99,892.00			99,892.00	104,404.00	104,404.00	
12/14/18	Federal Farm Credit Bank	3133EJ2R9	2.750%	100,000	12/14/20	99,862.00		99,862.00			99,862.00	100,539.00	100,539.00	
12/12/19	Freddie Mac	3134GT3N1	1.750%		08/29/22	99,901.00		99,901.00		99,901.00	-	-	-	
12/16/19	Freddie Mac	3130ADMJ8	2.375%	100,000	08/26/22	100,717.08		100,717.08		355.10	100,361.98	100,793.00	100,793.00	
01/06/20	Federal Home Loan Bank	3130AEWA4	2.625%	150,000	10/01/20	150,732.73		150,732.73			150,732.73	150,000.00	150,000.00	
01/07/20	US Treasury Note	912828C57	2.250%	300,000	03/31/21	301,980.78		301,980.78		991.84	300,988.94	303,198.00	303,198.00	
01/10/20	Federal Home Loan Bank	3130AHUM3	2.250%		01/10/25	300,000.00		300,000.00		300,000.00	-	-	-	
01/21/20	Freddie Mac	3134GU4S6	1.800%		04/21/23	100,000.00		100,000.00		100,000.00	-	-	-	
01/21/20	Tenn Valley Authority	880591ER9	2.875%	200,000	09/15/24	319,896.01		319,896.01		2,894.96	317,001.05	330,600.00	330,600.00	
04/08/20	Freddie Mac	3134GVJP4	1.125%		10/07/22	100,000.00		100,000.00		100,000.00	-	-	-	
04/21/20	Federal Farm Credit Bank	3133ELWT7	1.150%		10/21/24	100,000.00		100,000.00		100,000.00	-	-	-	
04/23/20	Fannie Mae	3135G03Q4	1.100%	150,000	04/23/25	150,000.00		150,000.00			150,000.00	150,060.00	150,060.00	
04/30/20	Federal Farm Credit Bank	3133ELXV1	1.010%		04/28/20	300,000.00		300,000.00		300,000.00	-	-	-	
05/20/20	Freddie Mac	3134GVRM2	0.900%		05/06/25	99,993.00		99,993.00		99,993.00	-	-	-	
05/28/20	Federal Farm Credit Bank	3133ELZY3	0.640%	200,000	05/20/24	199,800.00		199,800.00			199,800.00	200,012.00		200,012.00
05/29/20	Freddie Mac	3134GVZS0	0.900%		05/28/25	99,990.00		99,990.00		99,990.00	-	-	-	
05/29/20	US Treasury Note	912828ZP8	0.125%	300,000	05/15/23	299,203.13		299,203.13			299,203.13	299,835.00	299,835.00	
06/03/20	Federal Farm Credit Bank	3133ELE59	0.670%		06/03/24	100,000.00		100,000.00		100,000.00	-	-	-	
06/17/20	Federal Farm Credit Bank	3133ELH56	0.270%	200,000	06/09/22	199,750.00		199,750.00			199,750.00	199,998.00	199,998.00	
06/29/20	Federal Farm Credit Bank	3133ELN75	0.230%	300,000	06/23/21	299,850.00		299,850.00			299,850.00	300,003.00	300,003.00	
06/30/20	Federal Home Loan Bank	3130AJQR3	0.450%		06/30/23	100,000.00		100,000.00		100,000.00	-	-	-	
07/21/20	Freddie Mac	3134GWBV7	0.800%	200,000	07/21/25			-	200,000.00		200,000.00	200,090.00		200,090.00
07/29/20	Freddie Mac	3134GWDY9	0.500%	200,000	01/29/24				200,000.00		200,000.00	200,066.00		200,066.00
07/30/20	Federal Home Loan Bank	3130AJUN7	0.550%	250,000	07/30/24				249,937.50		249,937.50	247,172.50	247,172.50	
07/30/20	Freddie Mac	3134GWCZ7	0.300%	100,000	10/28/22				99,985.00		99,985.00	100,024.00	100,024.00	
07/31/20	Fannie Mae	3136G4D83	0.510%	100,000	07/29/24				99,984.00		99,984.00	99,822.00	99,822.00	
08/06/20	Freddie Mac	3134GWMY9	0.625%	100,000	08/19/25				100,000.00		100,000.00	100,010.00		100,010.00
09/01/20	Freddie Mac	3134GWA48	0.400%	200,000	12/01/23				200,000.00		200,000.00	200,000.00	200,000.00	
09/28/20	Freddie Mac	3134GWTL0	0.300%	200,000	09/25/23				200,000.00		200,000.00	199,876.00		199,876.00
				5,361,000		5,632,014	(2,276)	5,629,738	1,349,907	1,503,876	5,475,768	5,519,770	3,499,077	2,020,693