

Staff Report

Regular Board Meeting

TO: Governing Board Members

FROM: General Manager/CEO

SUBJECT: Accept and File Investment Report for Quarter Ended September 30, 2023

RECOMMENDATION

That the Board of Directors accept and file the attached Investment Report for the quarter ended September 30, 2023.

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 the District's cash and investments, restricted and unrestricted, as of September 30, 2023. Attachment A presents the investment securities purchased and retired during the quarter July to September 2023. 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 \$13,722,155. Interest earned during the previous quarter of \$73,544 was posted to the account in July and the District made one withdrawal from LAIF in August for \$2,000,000. As a result, the balance in the account was \$11,795,699 at the end of September.

LAIF earnings for the quarter ended September 30, 2023, were \$114,439, calculated at an apportionment rate of 3.59%; up from 3.36% which had been in effect for the previous quarter. The earnings were posted to the District's account on October 13, 2023.

Citizen's Business Bank (CBB) Wealth Management

The total (book) value of the assets held with CBB increased from \$21,776 to \$6,031,760 during the quarter ended September 30, 2023. The balance in this account

is held both in a money market account, \$330,289, and in a \$5,701,471 portfolio of Treasury and federal agency securities shown on Attachment A.

Net interest payments received on securities in the District's portfolio were \$16,067 and funds held in money market accounts earned dividends of \$3,424.

Investment manager fees paid during the quarter were \$2,767, and amortization on premiums / accretion of discounts taken at time of purchase of certain securities increased the value of the portfolio by \$5,051.

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, 2023:

| Account | Beg Bal | Deposits/ (Withdrawals) | Earnings | Fees | Disc / Prem Amortization | Ending Balance |
|----------------|----------------|------------------------------------|-----------------|-------------|-------------------------------------|---------------------------|
| LAIF | \$13,722,155 | \$ (2,000,000) | \$ 73,544 | \$ - | \$ - | \$11,795,699 |
| CBB Wealth Mgt | 6,009,984 | - | 19,491 | (2,766) | 5,051 | 6,031,760 |

Restricted Investments

Accounts opened with US Bank are used to receive District deposits, from which the Trustee (US Bank) pays District bondholders.

Semiannual bond payment dates are April 1st and October 1st. The District made deposits to the Payment funds on August 16th in order for the Trustee to make payments to bondholders on October 2nd, 2023.

Summary Schedule of US Bank Trustee Accounts

The following schedule summarizes activity in the US Bank accounts for the Quarter ended September 30, 2023:

| 2020A Accounts | Beg Bal | District Deposits | Earnings | Transfers | Withdrawals/ Payments | Ending Balance |
|---------------------------|----------------|------------------------------|-----------------|------------------|----------------------------------|---------------------------|
| Payment Fd | \$ - | \$ 1,310,175 | \$ 4,120 | \$(1,314,295) | \$ - | \$ - |
| Interest Acct | 617 | - | - | 324,295 | - | 324,912 |
| Principal Acct | - | - | - | 990,000 | - | 990,000 |

| 2020B Accounts | Beg Bal | District Deposits | Earnings | Transfers | Withdrawals/ Payments | Ending Balance |
|---------------------------|----------------|------------------------------|-----------------|------------------|----------------------------------|---------------------------|
| Payment Fd | \$ - | \$ 441,636 | \$ - | \$(441,636) | \$ - | \$ - |
| Interest Acct | - | - | - | 161,636 | - | 161,636 |
| Principal Acct | - | - | - | 280,000 | - | 280,000 |

AGENCY GOALS 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:



Michael Moore
General Manager/CEO

Respectfully submitted:



Brian Tompkins
Chief Financial Officer

ATTACHMENTS

1. Investment Report for the Quarter Ended September 30 2023
2. Attachment A - CBB Investment Activity Report for Quarter Ended September 30 2023

**EAST VALLEY WATER DISTRICT
INVESTMENT REPORT
QUARTER ENDED
September 30, 2023**

| | | 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 | 900.00 | 900.00 | 900.00 | 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 | 6,632,385.42 | 4,156,769.83 | 4,156,769.83 | N/A |
| Funds Held by EVWD Under Management of an Outside Party | | | | | | | | | |
| Local Agency Investment Fund - Undesignated | | State of California | N/A | N/A | 3.590% | 11,795,699.42 | 11,795,699.42 | 11,795,699.42 | LAIF |
| US Bank Custodial Account | | | | | | | | | |
| US Treasury / Agency Bonds | | US Bank | | See Attached | | 5,715,000.00 | 5,701,470.62 | 5,343,964.80 | Interactive Data |
| US Bank Wealth Mgt | First American US Treasury MM | US Bank | N/A | N/A | 4.810% | 330,288.93 | 552,422.44 | 552,422.44 | N/A |
| US Bank (2020A Refunding Revenue Bond Trustee) | | | | | | | | | |
| Principal Account | First American US Treasury MM | US Bank | N/A | N/A | 4.810% | 990,000.00 | 990,000.00 | 990,000.00 | US Bank |
| Interest Account | First American US Treasury MM | US Bank | N/A | N/A | 4.810% | 324,912.00 | 324,912.00 | 324,912.00 | US Bank |
| US Bank (2020B Refunding Revenue Bond Trustee) | | | | | | | | | |
| Principal Account | First American US Treasury MM | US Bank | N/A | N/A | 4.810% | 280,000.00 | 280,000.00 | 280,000.00 | US Bank |
| Interest Account | First American US Treasury MM | US Bank | N/A | N/A | 4.810% | 161,635.75 | 161,635.75 | 161,635.75 | US Bank |
| Total Cash and Investments | | | | | | <u>26,235,321.52</u> | <u>23,968,310.06</u> | <u>23,610,804.24</u> | |

| SUMMARY | Book Value | Market Value | % |
|---|----------------------|----------------------|----------|
| Cash | 4,162,169.83 | 4,162,169.83 | 17.63% |
| LAIF | 11,795,699.42 | 11,795,699.42 | 49.96% |
| Treasury/Agency Securities | 5,701,470.62 | 5,343,964.80 | 22.63% |
| Money Market Treasury Funds | 2,308,970.19 | 2,308,970.19 | 9.78% |
| Total Cash and Investments | <u>23,968,310.06</u> | <u>23,610,804.24</u> | 100.00% |
| Less: Funds designated for Bond debt service | (1,756,547.75) | (1,756,547.75) | -7.44% |
| Less: Restricted Capacity Fees | (6,275,370.07) | (6,275,370.07) | -26.58% |
| Less: Customer Deposits | (1,207,514.95) | (1,207,514.95) | -5.11% |
| Total Unrestricted / Undesignated Cash and Investments | <u>14,728,877.29</u> | <u>14,371,371.47</u> | 60.87% |

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

October 13, 2023

 Date

EAST VALLEY WATER DISTRICT
Investment Activity
Quarter Ended September 30, 2023

Activity (Book Value)

| Purch Date | Issuer | CUSIP | Yield | Units / Face Value | Maturity Date | Amort Cost | | | Purchases | Matured / Called | Adjusted Cost 9/30/2023 | | | Market Value |
|------------|--------------------------|-----------|--------|---------------------|---------------|---------------------|-----------------|------------------------|------------------|-------------------|-------------------------|---------------------|---------------------|---------------------|
| | | | | | | 7/1/2023 | Adjustment | Adjusted Cost 7/1/2023 | | | Total | Water | Sewer | |
| 10/19/21 | US Treasury Note | 91282CAZ4 | 0.375% | 500,000 | 11/30/25 | 495,306.53 | 484.25 | 495,790.78 | | | 495,790.78 | 495,790.78 | | 453,030.00 |
| 03/31/21 | US Treasury Note | 9128CBT7 | 0.750% | 500,000 | 03/31/26 | 497,434.83 | 195.79 | 497,630.62 | | | 497,630.62 | 497,630.62 | | 452,150.00 |
| 01/21/20 | Tenn Valley Authority | 880591ER9 | 2.875% | 300,000 | 09/15/24 | 301,927.97 | (392.78) | 301,535.19 | | | 301,535.19 | 301,535.19 | | 292,572.00 |
| 08/31/22 | US Treasury N/B | 91282CFG1 | 3.125% | 300,000 | 08/31/24 | 299,838.00 | 35.69 | 299,873.69 | | | 299,873.69 | 299,873.69 | | 294,036.00 |
| 05/22/23 | US Treasury Note | 91282CGX3 | 3.875% | 300,000 | 04/30/25 | 298,048.18 | 261.14 | 298,309.32 | | | 298,309.32 | 298,309.32 | | 293,895.00 |
| 06/15/23 | US Treasury Bill | 912797FU6 | 5.110% | 300,000 | 12/14/23 | 292,848.16 | 3,963.67 | 296,811.83 | | | 296,811.83 | 296,811.83 | | 296,775.00 |
| 09/07/23 | US Treasury Bill | 912797GQ4 | 5.537% | 100,000 | 03/07/24 | - | 353.33 | 353.33 | 97,320.56 | | 97,673.89 | | 97,673.89 | 97,681.00 |
| 07/30/20 | Federal Home Loan Bank | 3130AJUN7 | 0.550% | 250,000 | 07/30/24 | 249,982.85 | 3.84 | 249,986.69 | | | 249,986.69 | 249,986.69 | | 239,817.50 |
| 08/06/20 | Freddie Mac | 3134GWMY9 | 0.625% | 100,000 | 08/19/25 | 100,000.00 | | 100,000.00 | | | 100,000.00 | 100,000.00 | | 91,699.00 |
| 09/30/21 | Federal Home Loan Bank | 3030APAZ8 | 1.030% | 200,000 | 09/30/26 | 200,000.00 | | 200,000.00 | | | 200,000.00 | | 200,000.00 | 177,544.00 |
| 03/30/21 | Federal Home Loan Bank | 3130ALUF9 | 1.000% | 300,000 | 03/30/26 | 300,000.00 | | 300,000.00 | | | 300,000.00 | 300,000.00 | | 270,657.00 |
| 03/30/21 | Federal Home Loan Bank | 3130ALPB4 | 0.800% | 300,000 | 05/30/25 | 300,000.00 | | 300,000.00 | | | 300,000.00 | 300,000.00 | | 278,262.00 |
| 03/30/21 | Federal Home Loan Bank | 3130ALU93 | 0.750% | 200,000 | 06/30/25 | 200,000.00 | | 200,000.00 | | | 200,000.00 | 200,000.00 | | 184,744.00 |
| 09/20/21 | Federal Home Loan Bank | 3130AKL79 | 0.250% | 115,000 | 12/28/23 | 114,978.88 | 10.68 | 114,989.56 | | | 114,989.56 | 114,989.56 | | 113,587.80 |
| 09/30/21 | Federal Home Loan Bank | 3130AP6M2 | 1.020% | 400,000 | 09/30/26 | 400,000.00 | | 400,000.00 | | | 400,000.00 | 400,000.00 | | 354,980.00 |
| 10/18/21 | Federal Home Loan Bank | 3130AKC95 | 0.550% | 200,000 | 10/29/25 | 198,743.92 | 133.83 | 198,877.75 | | | 198,877.75 | | 198,877.75 | 181,688.00 |
| 10/26/21 | Federal Home Loan Bank | 3130APJ55 | 1.250% | 300,000 | 10/26/26 | 299,997.00 | 0.44 | 299,997.44 | | | 299,997.44 | | 299,997.44 | 267,465.00 |
| 10/27/21 | Federal Home Loan Bank | 3130AJK24 | 0.480% | - | 09/01/23 | 100,000.37 | (0.37) | 100,000.00 | | 100,000.00 | - | - | - | - |
| 10/28/21 | Federal Home Loan Bank | 3130APLB9 | 0.850% | 100,000 | 10/28/24 | 100,000.00 | | 100,000.00 | | | 100,000.00 | | 100,000.00 | 95,112.00 |
| 11/24/21 | Federal Home Loan Bank | 3130APWP6 | 0.600% | 200,000 | 11/24/23 | 200,000.00 | | 200,000.00 | | | 200,000.00 | 200,000.00 | | 198,558.00 |
| 11/30/21 | Federal Home Loan Bank | 3130APUY9 | 1.000% | 200,000 | 02/28/25 | 200,000.00 | | 200,000.00 | | | 200,000.00 | 200,000.00 | | 187,776.00 |
| 11/30/21 | Federal Home Loan Bank | 3130AQ2H5 | 1.050% | 100,000 | 11/25/24 | 99,992.67 | 1.19 | 99,993.86 | | | 99,993.86 | | 99,993.86 | 95,014.00 |
| 08/30/22 | Federal Home Loan Bank | 3130AT2N6 | 3.700% | 250,000 | 02/28/24 | 250,000.00 | | 250,000.00 | | | 250,000.00 | 250,000.00 | | 248,117.50 |
| 11/23/21 | Federal Farm Credit Bank | 3133ENEM8 | 1.430% | 200,000 | 11/23/26 | 200,000.00 | | 200,000.00 | | | 200,000.00 | | 200,000.00 | 178,804.00 |
| | | | | <u>5,715,000.00</u> | | <u>5,699,099.36</u> | <u>5,050.70</u> | <u>5,704,150.06</u> | <u>97,320.56</u> | <u>100,000.00</u> | <u>5,701,470.62</u> | <u>3,854,927.68</u> | <u>1,846,542.94</u> | <u>5,343,964.80</u> |