

Staff Report

Regular Board Meeting with Closed Session

TO: Governing Board Members

FROM: General Manager/CEO

SUBJECT: Approve Investment Report for Quarter Ended June 30, 2022

RECOMMENDATION

Staff recommends that the Board of Directors (Board) accept and file the attached Investment Report for the quarter ended, June 30, 2022.

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 June 30, 2022. Attachment A presents the investment securities purchased and retired during the quarter April to June 2022. 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 \$6,073,921. Interest earned during the previous quarter of \$4,786 was posted to the account in April and there was one transfer of \$10,000,000 into the account during the quarter resulting in an ending balance in the account of \$16,078,707 at the end of June.

LAIF earnings for the quarter ended June 30, 2022, were \$15,084, calculated at an apportionment rate of 0.75%; up from 0.32% which had been in effect for the previous quarter. The earnings were posted to the District's account on July 15, 2022.

Citizen's Business Bank (CBB) Wealth Management

The total (book) value of the assets held with CBB increased \$11,417 to \$5,942,371 during the quarter ended June 30, 2022. The balance in this account is held both in a money market account, \$1,085,264, and in a \$4,857,107 portfolio of Treasury and federal agency securities shown on Attachment A.

Net interest payments received on securities in the District’s portfolio were \$11,001 and funds held in money market accounts earned \$601.

Investment manager fees paid during the quarter were \$2,138, and amortization on discounts taken at time of purchase of certain securities increased the value of the portfolio by \$1,953.

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, 2022:

Account	Beg Bal	Deposits/ (Withdrawals)	Earnings	Fees	Disc / Prem Amortization	Ending Balance
LAIF	\$6,073,921	\$ 10,000,000	\$ 4,786	\$ -	\$ -	\$16,078,707
CBB Wealth Mgt	5,930,954	-	11,602	(2,138)	1,953	5,942,371

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. Deposits were made to the accounts on April 1, 2022, and then paid to bondholders the same day, to cover the semi-annual interest payment on the 2020 bonds.

Summary Schedule of Union Bank Trustee Accounts

The following schedule summarizes activity in the US Bank accounts for the Quarter ended June 30, 2022.

2020A Accounts	Beg Bal	District Deposits	Earnings	Transfers	Withdrawals/ Payments	Ending Balance
Payment Fd	\$ -	\$ 343,674	\$ -	\$ (343,674)	\$ -	\$ -
Interest Acct	1	-	-	343,674	(343,675)	-
Principal Acct	-	-	-	-	-	-
2020B Accounts	Beg Bal	District Deposits	Earnings	Transfers	Withdrawals/ Payments	Ending Balance
Payment Fd	\$ -	\$ 162,392	\$ -	\$ (162,392)	\$ -	\$ -
Interest Acct	-	-	-	162,392	(162,392)	-
Principal Acct	-	-	-	-	-	-

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:

Respectfully submitted:



John Mura
General Manager/CEO



Brian Tompkins
Chief Financial Officer

ATTACHMENTS

1. Investment Report for the Quarter Ended June 30, 2022
2. Attachment A - CBB Investment Activity Report for the Quarter Ended June 30, 2022

**EAST VALLEY WATER DISTRICT
INVESTMENT REPORT
QUARTER ENDED
June 30, 2022**

		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	4,433,835.00	4,433,835.00	4,433,835.00	N/A
Funds Held by EVWD Under Management of an Outside Party									
Local Agency Investment Fund - Undesignated		State of California	N/A	N/A	0.750%	14,969,203.45	14,969,203.45	14,969,203.45	LAIF
Local Agency Investment Fund - Designated for Debt Service		State of California	N/A	N/A	0.750%	1,109,504.00	1,109,504.00	1,109,504.00	LAIF
Citizens Business Bank									
US Treasury / Agency Bonds		CBB Wealth Mgt		See Attached		4,865,000.00	4,857,107.04	4,574,470.75	Interactive Data
CBB Money Market Fund	CBB Money Market Fund	CBB Wealth Mgt	N/A	N/A	0.026%	1,085,263.88	1,085,263.88	1,085,263.88	N/A
Union Bank (2020A Refunding Revenue Bond Trustee)									
Payment Fund	Blackrock Liquidity Funds	US Bank	N/A	N/A	N/A	-	-	-	US Bank
Principal / Interest Accounts	Blackrock Liquidity Funds	US Bank	N/A	N/A	1.240%	-	-	-	US Bank
Union Bank (2020B Revenue Bond Trustee)									
Payment Fund	Blackrock Liquidity Funds	US Bank	N/A	N/A	N/A	-	-	-	US Bank
Interest Account	Blackrock Liquidity Funds	US Bank	N/A	N/A	1.240%	-	-	-	US Bank
Total Cash and Investments						<u>26,468,206.33</u>	<u>26,460,313.37</u>	<u>26,177,677.08</u>	

SUMMARY	Book Value	Market Value	%
Cash	4,439,235.00	4,439,235.00	16.96%
LAIF	16,078,707.45	16,078,707.45	61.42%
Treasury/Agency Securities	4,857,107.04	4,574,470.75	17.47%
Money Market Treasury Funds	1,085,263.88	1,085,263.88	4.15%
Total Cash and Investments	<u>26,460,313.37</u>	<u>26,177,677.08</u>	100.00%
Less: Funds designated for Bond debt service	(1,109,504.00)	(1,109,504.00)	-4.24%
Less: Restricted Capacity Fees	(6,275,370.07)	(6,275,370.07)	-23.97%
Less: Customer / Construction Deposits	(1,144,637.16)	(1,144,637.16)	-4.37%
Less: Funds designated for rate stabilization	(268,447.00)	(268,447.00)	-1.03%
Total Unrestricted / Undesignated Cash and Investments	<u>17,662,355.14</u>	<u>17,379,718.85</u>	66.39%

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

7/21/2022

Date

EAST VALLEY WATER DISTRICT
Investment Activity
Quarter Ended June 30, 2022

Activity (Book Value)

Purch Date	Issuer	CUSIP	Yield	Units / Face Value	Maturity Date	4/1/2022	Amort Cost Adjustment	Adjusted Cost 4/1/2022	Purchases	Matured / Called	Adjusted Cost 6/30/2022			Market Value
											Total	Water	Sewer	
05/31/17	US Treasury Note	912828XR6	1.750%	-	05/31/22	299,765.63		299,765.63		299,765.63	-	-	-	-
10/19/21	US Treasury Note	91282CAZ4	0.375%	500,000	11/30/25	487,403.40	1,532.72	488,936.12			488,936.12	488,936.12		457,205.00
03/31/21	US Treasury Note	9128CBT7	0.750%	500,000	03/31/26	495,703.13		495,703.13			495,703.13	495,703.13		459,825.00
05/10/18	FHLB	3130AEBM1	2.750%	-	06/10/22	99,892.00		99,892.00		99,892.00	-	-	-	-
01/21/20	Tenn Valley Authority	880591ER9	2.875%	300,000	09/15/24	311,439.73		311,439.73			311,439.73	311,439.73		298,923.00
05/29/20	US Treasury Note	912828ZP8	0.125%	300,000	05/15/23	299,203.13		299,203.13			299,203.13	299,203.13		292,923.00
07/30/20	Federal Home Loan Bank	3130AJUN7	0.550%	250,000	07/30/24	249,937.50		249,937.50			249,937.50	249,937.50		238,070.00
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		92,922.00
09/30/21	Federal Home Loan Bank	3030APA28	1.030%	200,000	09/30/26	200,000.00		200,000.00			200,000.00		200,000.00	185,230.00
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		279,774.00
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		280,497.00
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		186,880.00
09/20/21	Federal Home Loan Bank	3130AKL79	0.250%	115,000	12/28/23	114,902.25		114,902.25			114,902.25	114,902.25		110,382.75
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		369,540.00
10/18/21	Federal Home Loan Bank	3130AKC95	0.550%	200,000	10/29/25	196,566.63	420.30	196,986.93			196,986.93		196,986.93	184,398.00
10/26/21	Federal Home Loan Bank	3130APJ55	1.250%	300,000	10/26/26	299,997.00		299,997.00			299,997.00		299,997.00	280,626.00
10/27/21	Federal Home Loan Bank	3130AJK24	0.480%	100,000	09/01/23	100,016.25		100,016.25			100,016.25		100,016.25	97,179.00
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	95,181.00
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	193,422.00
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	190,398.00
11/30/21	Federal Home Loan Bank	3130AQ2H5	1.050%	100,000	11/25/24	99,985.00		99,985.00			99,985.00		99,985.00	96,027.00
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	185,068.00
				<u>4,865,000.00</u>		<u>5,254,811.65</u>	<u>1,953.02</u>	<u>5,256,764.67</u>	<u>-</u>	<u>399,657.63</u>	<u>4,857,107.04</u>	<u>3,260,121.86</u>	<u>1,596,985.18</u>	<u>4,574,470.75</u>