

Staff Report

Regular Board Meeting

TO: Governing Board Members

FROM: General Manager/CEO

SUBJECT: Investment Report for Quarter Ended March 31, 2024

RECOMMENDATION

That the Board of Directors accept and file the attached Investment Report for the quarter ended March 31, 2024.

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 March 31, 2024. Attachment A presents the investment securities purchased and retired during the quarter January to March 2024. 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 (LAIF) at the beginning of the quarter was \$20,010,138. Interest earned during the previous quarter of \$129,381 was posted to the account in January, and staff initiated a \$1,000,000 withdrawal in January in order to help cover some large contractor invoices. There were no other transactions with LAIF during February and March, leaving a balance at the end of March of \$19,139,519.

LAIF earnings for the quarter ended March 31, 2024, were \$205,873, calculated at an apportionment rate of 4.30%; up from 4.00% which had been in effect for the previous quarter. The earnings were posted to the District's account on April 15, 2024.

US Bank Fixed Income Account (previously CBB Wealth Management)

The total (book) value of the assets held with CBB increased from \$10,056,052 to \$16,079,840 during the quarter ended March 31, 2024. The balance in this account is

held both in a money market account, \$6,126,831, and in a \$9,953,009 portfolio of Treasury and federal agency securities shown on Attachment A.

In March, staff transferred \$6,000,000 out of the District’s checking account to US Bank to take advantage of higher yields being offered on US backed securities. The fund transfer was the reason for the significant change in the portfolio balance. In addition, net interest payments received on securities in the District’s portfolio were \$16,980 and funds held in money market accounts earned dividends of \$9,437.

Investment manager fees paid during the quarter were \$3,000, and amortization on premiums / accretion of discounts taken at the time of purchase of certain securities, increased the value of the portfolio by \$371.

The following schedule summarizes the activity for Unrestricted Investments during the Quarter ended March 31, 2024:

Account	Beg Bal	Deposits/ (Withdrawals)	Earnings	Fees	Disc / Prem Amortization	Ending Balance
LAIF	\$20,010,138	\$ (1,000,000)	\$129,381	\$ -	\$ -	\$19,139,519
US Bank Fixed Inc	10,056,052	6,000,000	26,417	(3,000)	371	16,079,840

Restricted Investments

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

Semi-annual bond payment dates are April 1st and October 1st. Funds deposited by the District with the trustee during the current quarter will be used to make interest payments to 2020 Revenue Bond holders on April 1st, 2024.

Summary Schedule of US Bank Trustee Accounts

The following schedule summarizes activity in the US Bank Trust accounts for the Quarter ended March 31, 2024:

2020A Accounts	Beg Bal	District Deposits	Earnings	Transfers	Withdrawals/ Payments	Ending Balance
Payment Fd	\$ -	\$ 295,425	\$ -	\$ (295,425)	\$ -	\$ -
Interest Acct	11,985	-	144	295,425	-	307,554
Principal Acct	-	-	-	-	-	-
2020B Accounts	Beg Bal	District Deposits	Earnings	Transfers	Withdrawals/ Payments	Ending Balance
Payment Fd	\$ -	\$ 160,726	\$ -	\$ (160,726)	\$ -	\$ -
Interest Acct	-	-	-	160,726	-	160,726
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:



Michael Moore
General Manager/CEO



Brian Tompkins
Chief Financial Officer

ATTACHMENTS

1. Investment Report for the Quarter Ended March 31, 2024
2. Attachment A - CBB Investment Activity Report for Quarter Ended March 31, 2024

**EAST VALLEY WATER DISTRICT
INVESTMENT REPORT
QUARTER ENDED
March 31, 2024**

	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					900.00	900.00	900.00	N/A
Petty Cash / Kiosk Cash					4,500.00	4,500.00	4,500.00	N/A
Checking account	Citizens Business Bank				1,936,977.19	1,936,977.19	1,936,977.19	N/A
Funds Held by EVWD Under Management of an Outside Party								
Local Agency Investment Fund - Undesignated	State of California	N/A	N/A	4.300%	19,139,519.41	19,139,519.41	20,010,137.98	LAIF
US Bank Custodial Account								
US Treasury / Agency Bonds	US Bank		See Attached		9,950,000.00	9,953,008.62	9,683,062.00	Interactive Data
Money Market Acct	First American US Treasury MM	N/A	N/A	5.040%	6,126,831.86	6,126,831.86	6,126,831.86	N/A
US Bank (2020A Refunding Revenue Bond Trustee)								
Principal Account	First American US Treasury MM	N/A	N/A	5.040%	-	-	-	US Bank
Interest Account	First American US Treasury MM	N/A	N/A	5.040%	307,554.00	307,554.00	307,554.00	US Bank
US Bank (2020B Refunding Revenue Bond Trustee)								
Principal Account	First American US Treasury MM	N/A	N/A	5.040%	-	-	-	US Bank
Interest Account	First American US Treasury MM	N/A	N/A	5.040%	160,725.75	160,725.75	160,725.75	US Bank
Total Cash and Investments					<u>37,627,008.21</u>	<u>37,630,016.83</u>	<u>38,230,688.78</u>	

SUMMARY	Book Value	Market Value	%
Cash	1,942,377.19	1,942,377.19	5.08%
LAIF	19,139,519.41	20,010,137.98	52.34%
Treasury/Agency Securities	9,953,008.62	9,683,062.00	25.33%
Money Market Treasury Funds	6,595,111.61	6,595,111.61	17.25%
Total Cash and Investments	<u>37,630,016.83</u>	<u>38,230,688.78</u>	<u>100.00%</u>
Less: Funds designated for Bond debt service	(468,279.75)	(468,279.75)	-1.22%
Less: Restricted Capacity Fees	(10,408,761.00)	(10,408,761.00)	-27.23%
Less: Customer Deposits	(1,213,006.27)	(1,213,006.27)	-3.17%
Total Unrestricted / Undesignated Cash and Investments	<u>25,539,969.81</u>	<u>26,140,641.76</u>	<u>68.38%</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.



 Signature

April 15, 2024

 Date

EAST VALLEY WATER DISTRICT
Investment Activity
Quarter Ended March 31, 2024

Activity (Book Value)

Purch Date	Issuer	CUSIP	Yield	Units / Face Value	Maturity Date	Amort Cost			Adjusted Cost 1/1/2024	Purchases	Matured / Called	Adjusted Cost 3/31/2024				Market Value
						1/1/2024	Adjustment	1/1/2024				Total	Water	Sewer	Reclamation	
10/19/21	US Treasury Note	91282CAZ4	0.375%	500,000	11/30/25	496,276.25	480.83	496,757.08				496,757.08	496,757.08			465,175.00
03/31/21	US Treasury Note	9128CBT7	0.750%	500,000	03/31/26	497,826.89	196.59	498,023.48				498,023.48	498,023.48			463,280.00
12/11/23	US Treasury Note	91282CJL6	4.875%	500,000	11/30/25	501,279.98	(174.48)	501,105.50				501,105.50	501,105.50			500,725.00
12/26/23	US Treasury Note	91282CJS1	4.250%	500,000	12/31/25	499,667.63	12.61	499,680.24				499,680.24	499,680.24			495,880.00
12/27/23	US Treasury Note	91282CJP7	4.375%	600,000	12/15/26	606,537.30	(542.76)	605,994.54				605,994.54	605,994.54			598,524.00
01/21/20	Tenn Valley Authority	880591ER9	2.875%	300,000	09/15/24	301,132.14	(398.86)	300,733.28				300,733.28	300,733.28			296,553.00
08/31/22	US Treasury N/B	91282CFG1	3.125%	300,000	08/31/24	299,903.56	30.04	299,933.60				299,933.60	299,933.60			297,468.00
05/22/23	US Treasury Note	91282CGX3	3.875%	300,000	04/30/25	298,564.45	266.80	298,831.25				298,831.25	298,831.25			296,439.00
09/07/23	US Treasury Bill	912797GQ4	5.300%	-	03/07/24	99,028.34	971.66	100,000.00			100,000.00	-	-			-
07/30/20	Federal Home Loan Bank	3130AJUN7	0.550%	250,000	07/30/24	249,990.71	3.64	249,994.35				249,994.35	249,994.35			246,065.00
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			94,334.00
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	200,000.00		182,964.00
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			278,235.00
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			286,398.00
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			190,082.00
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			365,392.00
12/28/23	Federal Home Loan Bank	3130AWLY4	5.125%	400,000	06/13/25	403,721.70	(643.51)	403,078.19				403,078.19	403,078.19			400,684.00
12/26/23	Federal Home Loan Bank	3130AYBS4	5.000%	500,000	06/26/25	500,000.00	-	500,000.00				500,000.00	500,000.00			499,120.00
12/27/23	Federal Home Loan Bank	3130AYB39	5.400%	500,000	12/22/25	500,000.00	-	500,000.00				500,000.00	500,000.00			499,890.00
10/18/21	Federal Home Loan Bank	3130AKC95	0.550%	200,000	10/29/25	199,011.64	134.38	199,146.02				199,146.02	199,146.02	199,146.02		186,720.00
10/26/21	Federal Home Loan Bank	3130APJ55	1.250%	300,000	10/26/26	299,998.03	-	299,998.03				299,998.03	299,998.03	299,998.03		275,361.00
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			97,510.00
02/16/24	Federal Home Loan Bank	3130AYZV1	5.060%	200,000	02/13/26	-	-	-	200,000.00			200,000.00	200,000.00	200,000.00		199,712.00
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			192,660.00
11/30/21	Federal Home Loan Bank	3130AQ2H5	1.050%	100,000	11/25/24	99,995.20	1.20	99,996.40				99,996.40	99,996.40	99,996.40		97,367.00
08/30/22	Federal Home Loan Bank	3130AT2N6	3.700%	-	02/28/24	250,000.00	-	250,000.00			250,000.00	-	-			-
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			183,276.00
12/27/23	Federal Farm Credit Bank	3133EPT21	4.625%	400,000	01/27/25	399,704.00	32.66	399,736.66				399,736.66	399,736.66	399,736.66		398,452.00
12/18/23	Federal Home Loan Bank	3130AY5AO	5.140%	300,000	12/18/25	300,000.00	-	300,000.00				300,000.00	300,000.00			298,779.00
12/18/23	Federal Home Loan Bank	3130AY5Z5	5.000%	500,000	12/18/26	500,000.00	-	500,000.00				500,000.00	500,000.00			497,955.00
12/20/23	Federal Home Loan Bank	3130AY7M2	5.000%	300,000	12/18/26	300,000.00	-	300,000.00				300,000.00	300,000.00	300,000.00		298,842.00
03/27/24	FNMA	3135GAQM6	5.150%	500,000	03/26/27	-	-	-	500,000.00			500,000.00	500,000.00		500,000.00	499,220.00
				<u>9,950,000.00</u>		<u>9,602,637.82</u>	<u>370.80</u>	<u>9,603,008.62</u>	<u>700,000.00</u>	<u>350,000.00</u>	<u>9,953,008.62</u>	<u>7,754,131.51</u>	<u>1,698,877.11</u>	<u>500,000.00</u>	<u>9,683,062.00</u>	