

Staff Report

Regular Board Meeting

TO: Governing Board Members

FROM: General Manager/CEO

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

RECOMMENDATION

Staff recommends that the Board of Directors (Board) accept and file the attached Investment Report for the quarter ended, September 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 September 30, 2022. Attachment A presents the investment securities purchased and retired during the quarter July to September 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 \$16,078,707. Interest earned during the previous quarter of \$15,085 was posted to the account in July and there were two transfers out of LAIF to the District's checking account, totaling \$9,000,000, to cover large contractor invoices. Those funds will be returned when reimbursement is received from SRF loan proceeds and/or Valley District. The balance in the account was \$7,093,791 at the end of September.

LAIF earnings for the quarter ended September 30, 2022, were \$42,745, calculated at an apportionment rate of 1.35%; up from 0.75% which had been in effect for the previous quarter. The earnings were posted to the District's account on October 14, 2022.

Citizen's Business Bank (CBB) Wealth Management

The total (book) value of the assets held with CBB increased \$14,619 to \$5,956,990

during the quarter ended September 30, 2022. The balance in this account is held both in a money market account, \$552,422, and in a \$5,404,568 portfolio of Treasury and federal agency securities shown on Attachment A.

Net interest payments received on securities in the District's portfolio were \$14,948 and funds held in money market accounts earned \$4,066.

Investment manager fees paid during the quarter were \$2,115, and amortization on discounts taken at time of purchase of certain securities increased the value of the portfolio by \$2,280.

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, 2022:

Account	Beg Bal	Deposits/ (Withdrawals)	Earnings	Fees	Disc / Prem Amortization	Ending Balance
LAIIF	\$16,078,707	\$ (9,000,000)	\$ 15,084	\$ -	\$ -	\$ 7,093,791
CBB Wealth Mgt	5,942,371	-	19,014	(2,115)	(2,280)	5,956,990

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 Payment Fund accounts on September 30, 2022, and are available for draw by the Trustee to make annual principal and interest payments to the bondholders on October 1st.

Summary Schedule of Union Bank Trustee Accounts

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

2020A Accounts	Beg Bal	District Deposits	Earnings	Transfers	Withdrawals/ Payments	Ending Balance
Payment Fd	\$ -	\$1,283,675	\$ -	\$ -	\$ -	\$1,283,675
Interest Acct	1	-	-	-	-	1
Principal Acct	-	-	-	-	-	-
2020B Accounts	Beg Bal	District Deposits	Earnings	Transfers	Withdrawals/ Payments	Ending Balance
Payment Fd	\$ -	\$ 442,392	\$ -	\$ -	\$ -	\$ 442,392
Interest Acct	-	-	-	-	-	-
Principal Acct	-	-	-	-	-	-

AGENCY GOALS AND OBJECTIVES

- II - Maintain a Commitment To Sustainability, Transparency, and Accountability
 - A. Practice Transparent and Accountable Fiscal Management

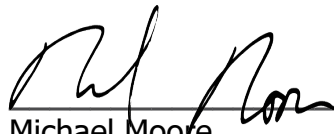
REVIEW BY OTHERS

This agenda item has been reviewed by the Finance Department.

FISCAL IMPACT

There is no fiscal impact associated with this agenda item.

Recommended by:



Michael Moore
General Manager/CEO

Respectfully submitted:



Brian Tompkins
Chief Financial Officer

ATTACHMENTS

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

**EAST VALLEY WATER DISTRICT
INVESTMENT REPORT
QUARTER ENDED
September 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	3,651,992.00	3,651,992.00	3,651,992.00	N/A
Funds Held by EVWD Under Management of an Outside Party									
Local Agency Investment Fund - Undesignated		State of California	N/A	N/A	1.350%	7,093,792.00	7,093,792.00	7,093,792.00	LAIF
Local Agency Investment Fund - Designated for Debt Service		State of California	N/A	N/A	1.350%	-	-	-	LAIF
Citizens Business Bank									
US Treasury / Agency Bonds		CBB Wealth Mgt		See Attached		5,407,107.00	5,404,568.00	4,964,310.00	Interactive Data
CBB Money Market Fund	Fed. Hermes Treasury Obligations Fund	CBB Wealth Mgt	N/A	N/A	2.850%	552,422.44	552,422.44	552,422.44	N/A
US Bank (2020A Refunding Revenue Bond Trustee)									
Payment Fund	Blackrock Liquidity Funds	US Bank	N/A	N/A	N/A	1,283,675.00	1,283,675.00	1,283,675.00	US Bank
Principal / Interest Accounts	Blackrock Liquidity Funds	US Bank	N/A	N/A	1.240%	-	-	-	US Bank
US Bank (2020B Revenue Bond Trustee)									
Payment Fund	Blackrock Liquidity Funds	US Bank	N/A	N/A	N/A	442,391.75	442,391.75	442,391.75	US Bank
Interest Account	Blackrock Liquidity Funds	US Bank	N/A	N/A	1.240%	-	-	-	US Bank
Total Cash and Investments						<u>18,436,780.19</u>	<u>18,434,241.19</u>	<u>17,993,983.19</u>	

SUMMARY	Book Value	Market Value	%
Cash	3,657,392.00	3,657,392.00	20.33%
LAIF	7,093,792.00	7,093,792.00	39.42%
Treasury/Agency Securities	5,404,568.00	4,964,310.00	27.59%
Money Market Treasury Funds	2,278,489.19	2,278,489.19	12.66%
Total Cash and Investments	<u>18,434,241.19</u>	<u>17,993,983.19</u>	100.00%
Less: Funds designated for Bond debt service	(1,726,066.75)	(1,726,066.75)	-9.59%
Less: Restricted Capacity Fees	(6,275,370.07)	(6,275,370.07)	-34.87%
Less: Customer Deposits	(1,207,514.95)	(1,207,514.95)	-6.71%
Total Unrestricted / Undesignated Cash and Investments	<u>9,225,289.42</u>	<u>8,785,031.42</u>	48.83%

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

10/17/2022

Date

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

Activity (Book Value)

Purch Date	Issuer	CUSIP	Yield	Units / Face Value	Maturity Date	Amort Cost		Adjusted Cost 7/1/2022	Purchases	Matured / Called	Adjusted Cost 9/30/2022			Market Value
						7/1/2022	Adjustment				Total	Water	Sewer	
10/19/21	US Treasury Note	91282CAZ4	0.375%	500,000	11/30/25	488,936.12		488,936.12			488,936.12	488,936.12		443,380.00
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		444,045.00
01/21/20	Tenn Valley Authority	880591ER9	2.875%	300,000	09/15/24	311,439.73	(2,274.46)	309,165.27			309,165.27	309,165.27		291,621.00
05/29/20	US Treasury Note	91282ZP8	0.125%	300,000	05/15/23	299,203.13		299,203.13			299,203.13	299,203.13		292,827.00
08/31/22	US Treasury N/B	91282CFG1	3.125%	300,000	08/31/24	-		-	299,740.76		299,740.76	299,740.76		294,669.00
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		232,495.00
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		89,573.00
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	174,968.00
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		266,154.00
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		271,938.00
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		180,474.00
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		109,014.25
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		349,792.00
10/18/21	Federal Home Loan Bank	3130AKC95	0.550%	200,000	10/29/25	196,986.93		196,986.93			196,986.93		196,986.93	177,178.00
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		264,270.00
10/27/21	Federal Home Loan Bank	3130AJK24	0.480%	100,000	09/01/23	100,016.25	(5.43)	100,010.82			100,010.82	100,010.82		96,545.00
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		92,702.00
11/24/21	Federal Home Loan Bank	3130APWV6	0.600%	200,000	11/24/23	200,000.00		200,000.00			200,000.00	200,000.00		191,604.00
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		183,836.00
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		92,849.00
08/30/22	Federal Home Loan Bank	3130AT2N6	3.700%	250,000	02/28/24	-		-	250,000.00		250,000.00	250,000.00		247,770.00
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		176,606.00
				5,415,000.00		4,857,107.04	(2,279.89)	4,854,827.15	549,740.76	-	5,404,567.91	3,557,588.16	1,846,979.75	4,964,310.25