

# 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, 2023

### RECOMMENDATION

That the Board of Directors accept and file the attached Investment Report for the quarter ended June 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 June 30, 2023. Attachment A presents the investment securities purchased and retired during the quarter April to June 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 \$7,173,804. Interest earned during the previous quarter of \$48,351 was posted to the account in April and the District made one deposit into LAIF in June for \$6,500,000. There were no withdrawals during the quarter, and as a result, the balance in the account was \$13,722,155 at the end of June.

LAIF earnings for the quarter ended June 30, 2023, were \$78,294.37, calculated at an apportionment rate of 3.36%; up from 2.74% which had been in effect for the previous quarter. The earnings were posted to the District's account on July 14, 2023.

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

The total (book) value of the assets held with CBB increased \$16,498 to \$6,009,984 during the quarter ended June 30, 2023. The balance in this account is held both in a money market account, \$310,885, and in a \$5,699,099 portfolio of Treasury and federal agency securities shown on Attachment A.

Net interest payments received on securities in the District’s portfolio were \$5,979 and funds held in money market accounts earned dividends of \$7,239. The District also realized a \$797 gain on the maturity of a US Treasury.

Investment manager fees paid during the quarter were \$1,420, and amortization on premiums / accretion of discounts taken at time of purchase of certain securities increased the value of the portfolio by \$3,903.

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, 2023:

<b>Account</b>	<b>Beg Bal</b>	<b>Deposits/ (Withdrawals)</b>	<b>Earnings</b>	<b>Fees</b>	<b>Disc / Prem Amortization</b>	<b>Ending Balance</b>
LAIF	\$ 7,173,804	\$ 6,500,000	\$ 48,351	\$ -	\$ -	\$ 13,722,155
CBB Wealth Mgt	5,993,486	-	14,015	(1,420)	3,903	6,009,984

**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 1<sup>st</sup> and October 1<sup>st</sup>. Deposits that had been made to the Payment Fund accounts on March 28, 2023, were used by the Trustee to make semi-annual interest payments to the bondholders on April 1<sup>st</sup>.

Summary Schedule of Union Bank Trustee Accounts

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

<b>2020A</b>		<b>District</b>			<b>Withdrawals/ Payments</b>		<b>Ending Balance</b>
<b>Accounts</b>	<b>Beg Bal</b>	<b>Deposits</b>	<b>Earnings</b>	<b>Transfers</b>			
Payment Fd	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Acct	320,787	-	5	-	(320,175)	-	617
Principal Acct	-	-	-	-	-	-	-

<b>2020B</b>		<b>District</b>			<b>Withdrawals/ Payments</b>		<b>Ending Balance</b>
<b>Accounts</b>	<b>Beg Bal</b>	<b>Deposits</b>	<b>Earnings</b>	<b>Transfers</b>			
Payment Fd	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Acct	161,636	-	-	-	(161,636)	-	-
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**

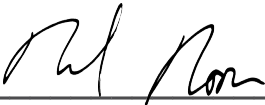
This agenda item has been reviewed by the Finance Department.

**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 June 30 2023
2. Attachment A - CBB Investment Activity Report for Quarter Ended June 30 2023

**EAST VALLEY WATER DISTRICT**  
**Investment Activity**  
**Quarter Ended June 30, 2023**

**Activity (Book Value)**

Purch Date	Issuer	CUSIP	Yield	Units / Face Value	Maturity Date	Activity (Book Value)			Purchases	Matured / Called	Adjusted Cost 6/30/2023			Market Value	
						4/1/2023	Amort Cost Adjustment	Adjusted Cost 4/1/2023			Total	Water	Sewer		
10/19/21	US Treasury Note	91282CAZ4	0.375%	500,000	11/30/25	492,050.72	3,255.81	495,306.53			495,306.53	495,306.53		451,330.00	
03/31/21	US Treasury Note	9128CBT7	0.750%	500,000	03/31/26	495,703.13	1,731.70	497,434.83			497,434.83	497,434.83		451,915.00	
01/21/20	Tenn Valley Authority	880591ER9	2.875%	300,000	09/15/24	306,915.11	(4,987.14)	301,927.97			301,927.97	301,927.97		290,937.00	
05/29/20	US Treasury Note	91282ZP8	0.125%	-	05/15/23	299,203.13		299,203.13		299,203.13	-	-			
08/31/22	US Treasury N/B	91282CFG1	3.125%	300,000	08/31/24	299,740.76	97.24	299,838.00			299,838.00	299,838.00		292,794.00	
05/22/23	US Treasury Note	91282CGX3	3.875%	300,000	04/30/25	-	110.68	110.68	297,937.50		298,048.18	298,048.18		294,165.00	
06/15/23	US Treasury Bill	912797FU6	5.110%	300,000	12/14/23	-	689.33	689.33	292,158.83		292,848.16	292,848.16		292,863.00	
07/30/20	Federal Home Loan Bank	3130AJUN7	0.550%	250,000	07/30/24	249,937.50	45.35	249,982.85			249,982.85	249,982.85		237,082.50	
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		91,310.00	
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	178,594.00	
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	200,000.00	271,134.00	
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		275,250.00	
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		183,888.00	
09/20/21	Federal Home Loan Bank	3130AKL79	0.250%	115,000	12/28/23	114,902.25	76.63	114,978.88			114,978.88	114,978.88		112,045.65	
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		357,072.00	
10/18/21	Federal Home Loan Bank	3130AKC95	0.550%	200,000	10/29/25	197,836.14	907.78	198,743.92			198,743.92		198,743.92	181,212.00	
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	269,868.00	
10/27/21	Federal Home Loan Bank	3130AJK24	0.480%	100,000	09/01/23	100,005.46	(5.09)	100,000.37			100,000.37	100,000.37	100,000.37	99,170.00	
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		94,137.00	
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		196,282.00	
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		186,514.00	
11/30/21	Federal Home Loan Bank	3130AQ2H5	1.050%	100,000	11/25/24	99,985.00	7.67	99,992.67			99,992.67	99,992.67	99,992.67	94,139.00	
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	250,000.00	246,847.50	
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	180,696.00	
						5,715,000.00		5,408,206.16	1,929.96	590,096.33	299,203.13	5,699,099.36	3,850,365.40	1,848,733.96	5,329,245.65

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

Funds Managed By	Purchase Date	Maturity Date	Interest Rate	Face Value	Book Value	Market Value	Source of Valuation		
<b>Funds Held by EVWD</b>									
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	7,072,085.32	7,072,085.32	7,072,085.32	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	3.360%	12,454,058.85	12,454,058.85	12,454,058.85	LAIF
<b>Local Agency Investment Fund - Designated for Debt Service</b>		State of California	N/A	N/A	3.360%	1,268,096.00	1,268,096.00	1,268,096.00	LAIF
<b>US Bank Custodial Account</b>									
US Treasury / Agency Bonds		US Bank		See Attached		5,715,000.00	5,699,099.36	5,329,245.65	Interactive Data
US Bank Wealth Mgt	First American US Treasury MM	US Bank	N/A	N/A	0.090%	310,885.08	310,885.08	310,885.08	N/A
<b>US Bank (2020A&amp;B Refunding Revenue Bond Trustee)</b>									
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	3.790%	617.00	617.00	617.00	US Bank
<b>Total Cash and Investments</b>						<u>26,826,142.25</u>	<u>26,810,241.61</u>	<u>26,440,387.90</u>	

<b>SUMMARY</b>	Book Value	Market Value	%
Cash	7,077,485.32	7,077,485.32	26.77%
LAIF	13,722,154.85	13,722,154.85	51.90%
Treasury/Agency Securities	5,699,099.36	5,329,245.65	20.16%
Money Market Treasury Funds	311,502.08	311,502.08	1.18%
<b>Total Cash and Investments</b>	<u>26,810,241.61</u>	<u>26,440,387.90</u>	100.01%
Less: Funds designated for Bond debt service	(1,268,713.00)	(1,268,713.00)	-4.80%
Less: Restricted Capacity Fees	(11,721,266.37)	(11,721,266.37)	-44.33%
Less: Customer Deposits	(1,182,937.24)	(1,182,937.24)	-4.47%
<b>Total Unrestricted (Reserves)</b>	<u>12,637,325.00</u>	<u>12,267,471.29</u>	46.41%

***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

July 26, 2023  
 Date