

# Staff Report

## Regular Board Meeting

**TO:** Governing Board Members

**FROM:** General Manager/CEO

**SUBJECT:** Accept and File Investment Report for Quarter Ended December 31, 2023

## RECOMMENDATION

That the Board of Directors accept and file the attached Investment Report for the quarter ended December 31, 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 December 31, 2023. Attachment A presents the investment securities purchased and retired during the quarter October to December 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 (LAIF) at the beginning of the quarter was \$11,795,699. Interest earned during the previous quarter of \$114,438 was posted to the account in October, and a long awaited SRF reimbursement of more than \$8 million allowed the District to make a deposit of \$8.1 million to LAIF in December, bringing the balance at the end of the quarter to \$20,010,138.

LAIF earnings for the quarter ended December 31, 2023, were \$129,381, calculated at an apportionment rate of 4.00%; up from 3.59% which had been in effect for the previous quarter. The earnings were posted to the District's account on January 12, 2024.

### US Bank Fixed Income Account (previously CBB Wealth Management)

The total (book) value of the assets held with CBB increased from \$6,031,760 to \$10,056,052 during the quarter ended December 31, 2023. The balance in this account

is held both in a money market account, \$453,415, and in a \$9,602,638 portfolio of Treasury and federal agency securities shown on Attachment A.

In December, staff transferred \$4,000,000 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 \$17,654 and funds held in money market accounts earned dividends of \$4,477.

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 \$5,161.

The following schedule summarizes the activity for Unrestricted Investments during the Quarter ended December 31, 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	\$11,795,699	\$ 8,100,000	\$114,439	\$ -	\$ -	\$20,010,138
US Bank Fixed Inc	6,031,760	4,000,000	22,131	(3,000)	5,161	10,056,052

**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 1<sup>st</sup> and October 1<sup>st</sup>. Funds deposited by the District with the trustee in the previous quarter were used to make principal and interest payments to 2020 Revenue Bond holders on October 2<sup>nd</sup>, 2023.

Summary Schedule of US Bank Trustee Accounts

The following schedule summarizes activity in the US Bank accounts for the Quarter ended December 31, 2023:

<b>2020A Accounts</b>	<b>Beg Bal</b>	<b>District Deposits</b>	<b>Earnings</b>	<b>Transfers</b>	<b>Withdrawals/ Payments</b>	<b>Ending Balance</b>
Payment Fd	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Acct	324,912	-	2,073	5,175	(320,175)	11,985
Principal Acct	990,000	-	5,175	(5,175)	(990,000)	-
<b>2020B Accounts</b>	<b>Beg Bal</b>	<b>District Deposits</b>	<b>Earnings</b>	<b>Transfers</b>	<b>Withdrawals/ Payments</b>	<b>Ending Balance</b>
Payment Fd	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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 December 31, 2023
2. Attachment A - CBB Investment Activity Report for Quarter Ended December 31, 2023

**EAST VALLEY WATER DISTRICT  
INVESTMENT REPORT  
QUARTER ENDED  
December 31, 2023**

		<u>Funds Managed By</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Face Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Source of Valuation</u>
<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	1,326,367.78	1,326,367.78	1,326,367.78	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	3.590%	20,010,137.98	20,010,137.98	20,010,137.98	LAIF
<b>US Bank Custodial Account</b>									
US Treasury / Agency Bonds		US Bank	See Attached			9,600,000.00	9,602,637.82	9,352,492.00	Interactive Data
Money Market Acct	First American US Treasury MM	US Bank	N/A	N/A	4.820%	453,414.66	453,414.66	453,414.66	N/A
<b>US Bank (2020A Refunding Revenue Bond Trustee)</b>									
Principal Account	First American US Treasury MM	US Bank	N/A	N/A	4.820%	-	-	-	US Bank
Interest Account	First American US Treasury MM	US Bank	N/A	N/A	4.820%	11,984.83	324,912.00	324,912.00	US Bank
<b>US Bank (2020B Refunding Revenue Bond Trustee)</b>									
Principal Account	First American US Treasury MM	US Bank	N/A	N/A	4.820%	-	-	-	US Bank
Interest Account	First American US Treasury MM	US Bank	N/A	N/A	4.820%	-	-	-	US Bank
<b>Total Cash and Investments</b>						<u>31,407,305.25</u>	<u>31,722,870.24</u>	<u>31,472,724.42</u>	

<b>SUMMARY</b>	<b>Book Value</b>	<b>Market Value</b>	<b>%</b>
Cash	1,331,767.78	1,331,767.78	4.23%
LAIF	20,010,137.98	20,010,137.98	63.58%
Treasury/Agency Securities	9,602,637.82	9,352,492.00	29.72%
Money Market Treasury Funds	778,326.66	778,326.66	2.47%
<b>Total Cash and Investments</b>	<u>31,722,870.24</u>	<u>31,472,724.42</u>	100.00%
Less: Funds designated for Bond debt service	(324,912.00)	(324,912.00)	-1.03%
Less: Restricted Capacity Fees	(10,408,761.00)	(10,408,761.00)	-33.07%
Less: Customer Deposits	(1,213,006.27)	(1,213,006.27)	-3.85%
<b>Total Unrestricted / Undesignated Cash and Investments</b>	<u>19,776,190.97</u>	<u>19,526,045.15</u>	62.05%

*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

January 24, 2024  
Date

**EAST VALLEY WATER DISTRICT**  
**Investment Activity**  
**Quarter Ended December 31, 2023**

**Activity (Book Value)**

Purch Date	Issuer	CUSIP	Yield	Units / Face Value	Maturity Date	10/1/2023	Amort Cost Adjustment	Adjusted Cost 10/1/2023	Purchases	Matured / Called	Adjusted Cost 12/31/2023			Market Value		
											Total	Water	Sewer			
10/19/21	US Treasury Note	91282CAZ4	0.375%	500,000	11/30/25	495,790.78	485.47	496,276.25			496,276.25	496,276.25		464,315.00		
03/31/21	US Treasury Note	9128CBT7	0.750%	500,000	03/31/26	497,630.62	196.27	497,826.89			497,826.89	497,826.89		463,885.00		
12/11/23	US Treasury Note	91282CJL6	4.875%	500,000	11/30/25	-	(48.15)	(48.15)	501,328.13		501,279.98	501,279.98		505,175.00		
12/26/23	US Treasury Note	91282CJS1	4.250%	500,000	12/31/25	-	-	-	499,667.63		499,667.63	499,667.63		499,905.00		
12/27/23	US Treasury Note	UST4326	4.375%	600,000	12/15/26	-	(25.20)	(25.20)	606,562.50		606,537.30	606,537.30		605,862.00		
01/21/20	Tenn Valley Authority	880591ER9	2.875%	300,000	09/15/24	301,535.19	(403.05)	301,132.14			301,132.14	301,132.14		295,515.00		
08/31/22	US Treasury N/B	91282CFG1	3.125%	300,000	08/31/24	299,873.69	29.87	299,903.56			299,903.56	299,903.56		296,448.00		
05/22/23	US Treasury Note	91282CGX3	3.875%	300,000	04/30/25	298,309.32	255.13	298,564.45			298,564.45	298,564.45		297,306.00		
06/15/23	US Treasury Bill	912797FU6	5.110%		12/14/23	296,811.83	3,188.17	300,000.00		300,000.00	-	-		-		
09/07/23	US Treasury Bill	912797GQ4		100,000	03/07/24	97,673.89	1,354.45	99,028.34			99,028.34		99,028.34	99,060.00		
07/30/20	Federal Home Loan Bank	3130AJUN7	0.550%	250,000	07/30/24	249,986.69	4.02	249,990.71			249,990.71	249,990.71		243,515.00		
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		94,064.00		
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	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		278,496.00		
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		285,456.00		
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		189,526.00		
09/20/21	Federal Home Loan Bank	3130AKL79	0.250%		12/28/23	114,989.56	10.44	115,000.00		115,000.00	-	-		-		
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		365,828.00		
12/28/23	Federal Home Loan Bank	3130AWLY4	5.125%	400,000	06/13/25	-	(22.30)	(22.30)	403,744.00		403,721.70	403,721.70		403,264.00		
12/26/23	Federal Home Loan Bank	3130AYBS4	5.000%	500,000	06/26/25	-	-	-	500,000.00		500,000.00	500,000.00		500,300.00		
12/27/23	Federal Home Loan Bank	3130AYB39	5.400%	500,000	12/22/25	-	-	-	500,000.00		500,000.00	500,000.00		499,985.00		
10/18/21	Federal Home Loan Bank	3130AKC95	0.550%	200,000	10/29/25	198,877.75	133.89	199,011.64			199,011.64		199,011.64	186,154.00		
10/26/21	Federal Home Loan Bank	3130APJ55	1.250%	300,000	10/26/26	299,997.44	0.59	299,998.03			299,998.03		299,998.03	275,595.00		
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		96,731.00		
11/24/21	Federal Home Loan Bank	3130APWP6	0.600%		11/24/23	200,000.00		200,000.00		200,000.00	-	-		-		
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		192,540.00		
11/30/21	Federal Home Loan Bank	3130AQ2H5	1.050%	100,000	11/25/24	99,993.86	1.34	99,995.20			99,995.20		99,995.20	96,535.00		
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	249,315.00		
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		184,198.00		
12/27/23	Federal Farm Credit Bank	3133EPT21	4.625%	400,000	01/27/25	-	-	-	399,704.00		399,704.00		399,704.00	400,028.00		
12/18/23	Federal Home Loan Bank	3130AY5AO	5.140%	300,000	12/18/25	-	-	-	300,000.00		300,000.00	300,000.00		300,147.00		
12/18/23	Federal Home Loan Bank	3130AY5Z5	5.000%	500,000	12/18/26	-	-	-	500,000.00		500,000.00	500,000.00		500,125.00		
12/20/23	Federal Home Loan Bank	3130AY7M2	5.000%	300,000	12/18/26	-	-	-	300,000.00		300,000.00		300,000.00	300,255.00		
						<u>9,600,000.00</u>		<u>5,701,470.62</u>	<u>5,160.94</u>	<u>5,706,631.56</u>	<u>4,511,006.26</u>	<u>615,000.00</u>	<u>9,602,637.82</u>	<u>7,754,900.61</u>	<u>1,847,737.21</u>	<u>9,352,492.00</u>