



EAST VALLEY WATER DISTRICT
LEADERSHIP • PARTNERSHIP • STEWARDSHIP

BOARD AGENDA STAFF REPORT

Agenda Item #5.d.
Meeting Date: April 26, 2017
Discussion Item

To: Governing Board Members
From: General Manager/CEO

Subject: Approve Investment Report for Quarter Ended March 31, 2017

RECOMMENDATION:

Staff recommends that the Board of Directors accept and file the attached Investment Report for the quarter ended, March 31, 2017.

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.

Discussion

The attached schedule shows all of the District's cash and investments, restricted and unrestricted, as of March 31, 2017. Attachment A shows the investment securities purchased and retired during the quarter January to March 2017. 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 \$12,075,166. Interest earned during last quarter of \$19,198 was posted to the account in January, and as there were no deposits or withdrawals initiated by staff, the balance in the account at the end of the quarter was \$12,094,364.

LAIF earnings for the quarter ended March 31, 2017 were \$23,139, calculated at an apportionment rate of 0.78%; up from 0.68% which had been in effect for the previous quarter. The earnings were posted to the District's account on April 14th, 2017.

Citizen's Business Bank (CBB) Wealth Management

The total (book) value of the assets held with CBB increased \$18,096 to \$5,583,102 during the quarter ended March 31, 2017. The balance in this account is held both in a money market account (\$205,214) and in a portfolio of Treasury and federal agency securities shown on Attachment A.

Net interest payments received on securities in the District's portfolio were \$18,617 and funds held in money market accounts earned \$377. Earnings were supplemented by a \$1,135 amortization charge against discounts taken on the acquisition of certain bonds.

Investment manager fees paid during the quarter were \$2,033.

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 March 31, 2017:

<u>Account</u>	<u>Beg Bal</u>	<u>Deposits/ (Withdrawals)</u>	<u>Earnings</u>	<u>Fees</u>	<u>Disc / Prem Amortization</u>	<u>Ending Balance</u>
LAIF	\$12,075,166	\$ -	\$ 19,198	\$ -	\$ -	\$12,094,364
CBB Wealth Mgt	5,565,006	-	18,994	(2,033)	1,135	5,583,102

Restricted Investments

Trust accounts with Union Bank are used to safeguard funds which are restricted by bond covenants. The accounts remaining open as of March 31, 2017, are used to receive District deposits, from which the Trustee pays District bondholders.

The next semiannual bond payment is April 1st, therefore, the District made deposits to the Revenue funds at the end of March. Those deposits make up the balance held at Union Bank as of March 31st, 2017.

Summary Schedule of Union Bank Trustee Accounts

The following schedule summarizes activity in the Union Bank accounts for the Quarter ended March 31, 2017:

<u>2010 Accounts</u>	<u>Beg Bal</u>	<u>District Deposits</u>	<u>Earnings</u>	<u>Transfers</u>	<u>Withdrawals/ Payments</u>	<u>Ending Balance</u>
Revenue Fd	\$ -	\$ 592,797	\$ -	\$ -	\$ -	\$ 592,797
Interest Acct	9	-	-	-	-	9

<u>2013 Accounts</u>	<u>Beg Bal</u>	<u>District Deposits</u>	<u>Earnings</u>	<u>Transfers</u>	<u>Withdrawals/ Payments</u>	<u>Ending Balance</u>
Revenue Fd	-	292,561	-	-	-	292,561
Interest Acct	1	-	-	-	-	1

AGENCY IDEALS AND ENDEAVORS:

Ideals and Endeavor II - Maintain An Environment Committed To Elevated Public Service

(E) - Practice transparent and accountable fiscal management

FISCAL IMPACT:

There is no fiscal impact associated with this agenda item.

Recommended by:

John Mura
General Manager/CEO

Respectfully submitted:

Brian Tompkins
Chief Financial Officer

ATTACHMENTS:

Description

Investment Report for Quarter Ended March 31, 2017

Attachment A - CBB Investment Activity Report Quarter
Ended March 31, 2017

Type

Backup Material

Exhibit

**EAST VALLEY WATER DISTRICT
INVESTMENT REPORT
QUARTER ENDED
March 31, 2017**

		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	750.00	750.00	750.00	N/A
Petty Cash / Kiosk Cash		District	N/A	N/A	N/A	10,000.00	10,000.00	10,000.00	N/A
Checking account	Citizens Business Bank	District	N/A	N/A	N/A	294,314.85	294,314.85	294,314.85	N/A
Funds Held by EVWD Under Management of an Outside Party									
Local Agency Investment Fund - Undesignated		State of California	N/A	N/A	0.780%	12,094,363.94	12,094,363.94	12,094,363.94	LAIF
Local Agency Investment Fund - Designated		State of California	N/A	N/A	0.780%	-	-	-	LAIF
Citizens Business Bank									
US Treasury / Agency Bonds		CBB Wealth Mgt		See Attached		5,355,771.00	5,377,887.70	5,305,884.24	Interactive Data
CBB Money Market Fund	CBB Money Market Fund	CBB Wealth Mgt	N/A	N/A	0.200%	205,213.91	205,213.91	205,213.91	N/A
Union Bank (2010 Refunding Revenue Bond Trustee)									
Revenue Fund	BlackrockT-Fund Inst Shares	Union Bank	N/A	N/A	0.210%	592,796.90	592,796.90	592,796.90	Union Bank
Interest Account	BlackrockT-Fund Inst Shares	Union Bank	N/A	N/A	0.210%	9.35	9.35	9.35	Union Bank
Union Bank (2013 Revenue Bond Trustee)									
Revenue Fund	BlackrockT-Fund Inst Shares	Union Bank	N/A	N/A	0.210%	292,561.14	592,561.14	592,561.14	Union Bank
Interest Account	BlackrockT-Fund Inst Shares	Union Bank	N/A	N/A	0.210%	1.36	1.36	1.36	Union Bank
Total Cash and Investments						18,845,782.45	19,167,899.15	19,095,895.69	

SUMMARY	Book Value	Market Value	%
Cash	305,064.85	305,064.85	1.60%
LAIF	12,094,363.94	12,094,363.94	63.33%
Treasury/Agency Securities	5,377,887.70	5,305,884.24	27.79%
Money Market Treasury Funds	1,390,582.66	1,390,582.66	7.28%
Total Cash and Investments	19,167,899.15	19,095,895.69	100.00%
Less: Funds restricted for Capital Improvements	-	-	0.00%
Less: Funds designated for Bond debt service	(1,185,368.75)	(1,185,368.75)	-6.21%
Less: Restricted Capacity Fees	(2,258,119.65)	(2,258,119.65)	-11.83%
Less: Customer / Construction Deposits	(1,577,874.12)	(1,577,874.12)	-8.26%
Less: Funds designated for rate stabilization	(268,447.00)	(268,447.00)	-1.41%
Less: Funds designated for emergency reserve	(2,186,450.00)	(2,186,450.00)	-11.45%
Total Unrestricted / Undesignated Cash and Investments	11,691,639.63	11,619,636.17	60.84%

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

4/14/2017

Date

EAST VALLEY WATER DISTRICT
Investment Activity
Quarter Ended March 31, 2017

Purch Date	Issuer	CUSIP	Yield	Units / Face Value	Maturity Date	Activity (Book Value)					Market Value 3/31/2017		
						1/1/2017	Amort Cost Adjustment	Adjusted Cost 1/1/2017	Purchases	Matured / Called		Adjusted Cost 3/31/2017	
04/19/12	FHLB Series YP-2017	3133XNDB2	5.250%	22,771	06/15/17	26,385.10		26,385.10		1,228.61	25,156.49	22,951.62	
01/27/16	Federal Home Loan Bank	3130A6XY8	2.000%	100,000	01/27/21	100,000.00		100,000.00			100,000.00	100,014.00	
10/12/16	Federal Home Loan Bank	3130A9GS4	1.700%	100,000	10/12/17	100,000.00		100,000.00			100,000.00	97,610.00	
12/30/16	Federal Home Loan Bank	3130AACF3	2.150%	300,000	12/30/21	300,000.00		300,000.00			300,000.00	298,194.00	
12/09/16	Federal Home Loan	313371U79	3.125%	200,000	12/11/20	210,862.00	-	210,862.00			210,862.00	209,280.00	
08/03/16	Federal Home Loan	3130A8WW9	1.300%	100,000	05/01/20	100,000.00		100,000.00			100,000.00	98,081.00	
03/03/14	US Treasury Note	912828SY7	0.625%	300,000	05/31/17	297,937.50	2,062.50	300,000.00			300,000.00	299,970.00	
03/15/16	Fannie Mae	3136G3CK9	1.520%	300,000	06/15/20	299,745.00		299,745.00			299,745.00	294,246.00	
07/28/16	Fannie Mae	3136G3J30	1.600%	100,000	07/28/21	100,000.00		100,000.00			100,000.00	96,662.00	
08/04/16	Fannie Mae	3136G3XV2		100,000	07/27/17	99,750.00		99,750.00			99,750.00	96,896.00	
08/24/16	Fannie Mae	3135G0N66	1.400%	100,000	08/24/20	99,981.00		99,981.00			99,981.00	98,712.00	
08/25/16	Fannie Mae	3136G3Y33	1.400%	300,000	08/25/21	300,000.00		300,000.00			300,000.00	290,631.00	
10/27/15	Freddie Mac	3134G3F88	1.500%	100,000	08/28/19	100,881.00		100,881.00			100,881.00	100,174.00	
10/29/15	Federal Home Loan	3130A6NA1	1.400%	100,000	10/29/19	100,000.00		100,000.00			100,000.00	99,269.00	
11/17/15	Freddie Mac	3134G76G1	1.050%	300,000	05/17/18	300,000.00		300,000.00			300,000.00	299,562.00	
07/26/16	Freddie Mac	3134G9J40	1.000%	200,000	04/26/19	200,000.00		200,000.00			200,000.00	198,370.00	
08/25/16	Freddie Mac	3134G95L7	1.600%	200,000	08/25/21	200,000.00		200,000.00			200,000.00	193,480.00	
09/20/16	Freddie Mac	3134GALQ5	1.300%	100,000	09/20/19	100,000.00		100,000.00			100,000.00	99,331.00	
09/30/16	Freddie Mac	3134GAHK3	1.600%	200,000	09/30/21	200,000.00		200,000.00			200,000.00	196,322.00	
08/27/14	Tenn Valley Authority	880591EQ1	1.750%	272,000	10/15/18	274,769.92	(1,385.00)	273,384.92			273,384.92	274,102.56	
12/09/16	Tenn Valley Authority	880591EL2	3.875%	111,000	02/15/21	120,107.55		120,107.55			120,107.55	119,320.56	
11/04/16	US Treasury Note	912828T67	1.250%	500,000	10/31/21	499,765.63		499,765.63			499,765.63	485,995.00	
06/14/16	Federal Home Loan Bank	3130A8EN9	1.640%	100,000	06/14/21	100,000.00		100,000.00			100,000.00	98,294.00	
12/02/13	US Treasury Note	912828UE8	0.750%	500,000	12/31/17	493,632.81	5,571.30	499,204.11			499,204.11	498,985.00	
05/27/16	Fannie Mae	3136G15S4	1.250%	200,000	12/27/19	199,250.00		199,250.00			199,250.00	197,654.00	
08/30/16	Fannie Mae	3136G35C5	1.400%	100,000	08/25/21	100,000.00		100,000.00			100,000.00	98,537.00	
08/25/16	Freddie Mac	3134G93Q8	1.680%	200,000	08/25/21	199,800.00		199,800.00			199,800.00	193,434.00	
01/30/17	Freddie Mac	3134GAS88	1.625%	150,000	01/28/20	-		-	150,000.00		150,000.00	149,806.50	
				5,355,771			5,222,867.51	6,248.80	5,229,116.31	150,000.00	1,228.61	5,377,887.70	5,305,884.24