

**NOTICE OF A REGULAR MEETING
OF THE OLIVENHAIN MUNICIPAL WATER
DISTRICT'S FINANCE COMMITTEE
1966 Olivenhain Road, Encinitas, CA 92024
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Pursuant to AB 3035, effective January 1, 2003, any person who requires a disability related modification or accommodation in order to participate in a public meeting shall make such a request in writing to the District for immediate consideration.

DATE: TUESDAY, AUGUST 8, 2017

TIME: 2:30 P.M.

PLACE: DISTRICT OFFICE

Note: Items On The Agenda May Be Taken Out Of Sequential Order As Their Priority Is Determined By The Committee

1. CALL TO ORDER
2. ROLL CALL (BOARD MEMBERS)
3. ADOPTION OF THE AGENDA
4. PUBLIC COMMENTS
5. CONSIDER APPROVAL OF THE MINUTES OF THE APRIL 12, 2017 REGULAR FINANCE COMMITTEE MEETING
6. REVIEW OF QUARTERLY INVESTMENTS AND CASH POSITION REPORTS (Q2 2017)
7. CONSIDER FUTURE AGENDA ITEMS
8. ADJOURNMENT



Memo

Date: August 8, 2017
To: Finance Committee
From: Rainy Selamat, Finance Manager
Via: Kimberly Thorner, General Manager
Subject: QUARTERLY INVESTMENT AND CASH POSITION REPORTS (INFORMATION ONLY)

Purpose

The purpose of this agenda is to provide second quarter (Q2) 2017 investment and cash information to the Finance Committee per the District's Investment Policy.

Recommendation

It is recommended that the Committee review and receive the attached report as presented.

Background

The attached reports are presented to provide information to the Finance Committee as required by the District's Annual Investment Policy, which was adopted by the Board at the December 2016 board meeting.

The purpose of the District's Investment Policy is to identify policies and procedures that shall govern the investment of all District funds. The ultimate goal of the policy is to enhance the economic position of the District while protecting its funds. These policies have been followed in making all investment decisions on behalf of the District.

The Annual Investment Policy also states that at least once each quarter, the District's Finance Manager shall provide an oral report on the District's investments and cash position to the Finance Committee for review and discussion.

Discussion

As of June 30, 2017, all investments are in compliance with the Board's Investment Policy. Staff will be available during the meeting to answer any questions that the Committee may have on the attached report.

Attachment: Monthly Cash and Investment Summary as of June 30, 2017 (Draft)

Olivenhain Municipal Water District
MONTHLY CASH AND INVESTMENT SUMMARY
As of June 30, 2017

Active Deposits

	<u>Book Value</u>
Checking Accounts	\$ 6,474,428
Cash Restricted for Specific Use	361,323
Petty Cash/Disaster Preparedness	1,466
Total Active Deposits	\$ 6,837,217

Deposits Not Covered by Investment Policy

Cash with Fiscal Agents	3,524,574
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<u>Investments</u>	<u>Face Value</u>	<u>Current Yield</u>	
LAIF	\$ 15,118,400	0.978%	\$ 15,118,400
CAMP	10,465,495	1.050%	10,465,495
Money Market Funds	53,501	0.010%	53,501
Medium Term Notes	675,000	2.562%	724,557
Commercial Paper	2,000,000	1.165%	1,987,734
Municipal Bonds	2,342,227	2.287%	2,383,374
U.S. Treasury Securities	3,000,000	0.759%	2,965,400
U.S. Agency Securities	26,864,286	1.214%	26,863,486
Total Investments	\$ 60,518,909	1.160%	\$ 60,561,946

Total - All Deposits/Investments **\$ 70,923,738**

Maturity Analysis of Investments

	<u>Percent</u>	<u>Balance</u>
Demand Deposits	42%	\$ 25,637,396
Maturity within the next two months	3%	1,969,340
Maturity within three months and one year	5%	3,073,240
Maturity later one year or more	49%	29,881,970
Total Investments	100%	\$ 60,561,946

Weighted Average Days to Maturity **446**

Other Required Disclosures:

Accrued interest receivable as of 06/30/2017 \$ 134,202

The above investments are in accordance with the portfolio limitations in the Investment Policy approved by the Board in December 2016.

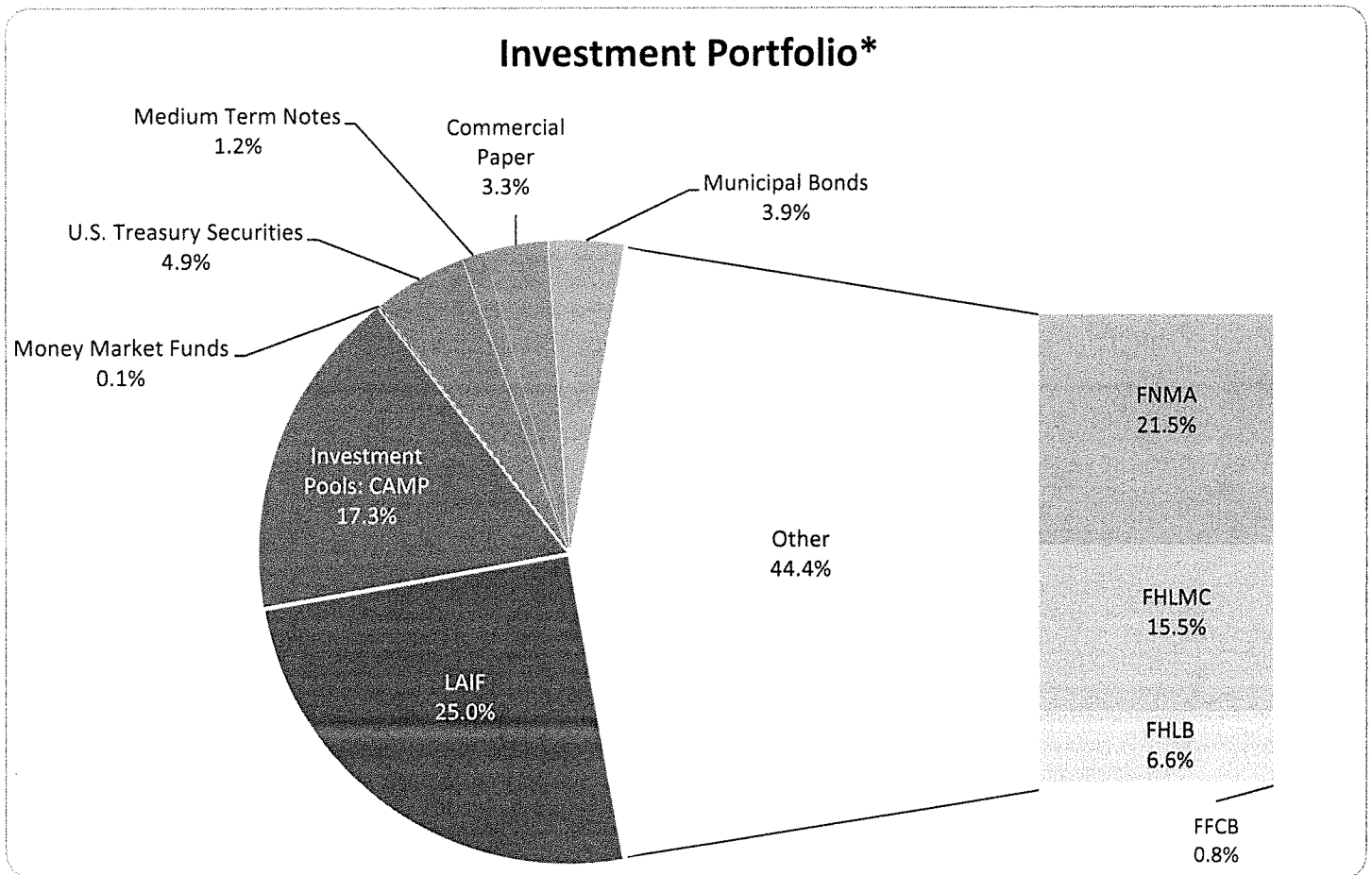
The District has sufficient funds on hand to meet the next 30 days' obligations.

Olivenhain Municipal Water District
PORTFOLIO LIMITATIONS ANALYSIS PER INVESTMENT POLICY
June 30, 2017

	<u>Book Value</u>	<u>Percent</u>	<u>Permitted Percent</u>		<u>In Compliance?</u>
LAIF	\$ 15,118,400	25.0%	30%	(1)	Yes
Investment Pools: CAMP	10,465,495	17.3%	30%		Yes
Money Market Funds	53,501	0.1%	20%	(2)	Yes
U.S. Treasury Securities	2,965,400	4.9%	100%	(3)	Yes
U.S. Agency Securities	26,863,486	44.4%	50%		Yes
Medium Term Notes	724,557	1.2%	15%		Yes
Commercial Paper	1,987,734	3.3%	20%	(4)	Yes
Municipal Bonds	2,383,374	3.9%	30%		Yes
Total Investments	\$ 60,561,946	100%			

Note:

- (1) No more than 30% of the total value of all District Investments or \$20 million.
- (2) May not exceed 5% in any money market fund.
- (3) No limit
- (4) No more than \$1 million per issuer



* Total may not add up to 100% due to rounding.

**Olivenhain Municipal Water District
MONTHLY INVESTMENTS DETAIL
June 30, 2017**

ACTIVE DEPOSIT

Checking A/C: California Bank and Trust for General Purpose
California Bank and Trust for Specific Purpose
Petty Cash/Disaster Preparedness
Total - Active Deposits

Book Value
\$ 6,474,428
361,323
1,466
\$ 6,837,217

DEPOSITS NOT COVERED BY INVESTMENT POLICY

Cash with Fiscal Agents:

Union Bank - AD 96-1 Refi Bonds Funds
Union Bank - 2015A Refunding Funds
SRF Loan
Union Bank - 2016A Refunding Funds

\$ 2,902,295
204,349
334,895
83,035

Total Deposits Not Covered by Investment Policy

\$ 3,524,574

RATING		DATE				Weighted Average Days to		Stated	Current		Book Value
Moody's	S&P	Purchase	Maturity	Next Call	Next S-U	Maturity	Call	Coupon	Yield	Face Value	Book Value

INVESTMENTS

Invest. Pools: Calif. Asset Mgmt Prgm (CAMP)
State Local Agency Investment Fund (LAIF)
JP Morgan US Government Money Market Fund Premier Class SHS

Demand	1	1.050%	\$ 10,465,495	\$ 10,465,495
Demand	1	0.978%	15,118,400	15,118,400
Demand	1	0.010%	53,501	53,501

U.S. Treasury Notes/Bills

912828TG5	U.S. Treasury Notes	Aaa	AA+	07/10/13	07/31/17	32		0.500%	0.513%	1,000,000	974,150
912828L81	U.S. Treasury Notes	Aaa	AA+	11/03/15	10/15/18	473		0.875%	0.879%	\$ 2,000,000	\$ 1,991,250
						328		0.750%	0.759%	\$ 3,000,000	\$ 2,965,400

U.S. Agency Securities

313383HB0	FHLB	Aaa	AA+	06/26/13	06/26/18	362		1.250%	1.250%	1,000,000	1,000,000
3130A52Q1	FFCB Callable	Aaa	AA+	04/28/15	04/28/20	1,034	1	1.700%	1.700%	464,286	464,286
3135G0J46	FNMA Callable	Aaa	AA+	02/26/16	02/26/19	607	58	1.250%	1.250%	2,000,000	2,000,000
3135G0J95	FNMA Callable	Aaa	AA+	04/28/16	10/28/19	851	29	1.350%	1.350%	1,000,000	1,000,000
3130A8BA0	FHLB Step-Up Callable	Aaa	AA+	06/23/16	06/23/21	1,455	86	1.250%	1.250%	1,000,000	1,000,000
3134G9UN5	FHLMC Step-Up Callable	Aaa	AA+	06/30/16	06/30/21	1,462	93	1.300%	1.297%	1,000,000	1,002,000
3134G9ZN0	FHLMC Step-Up Callable	Aaa	AA+	06/30/16	06/30/20	1,097	93	1.250%	1.249%	1,000,000	1,001,000
3135G0L76	FNMA Callable	Aaa	AA+	07/11/16	07/11/19	742	12	1.075%	1.075%	2,000,000	2,000,000
3136G3A96	FNMA Callable	Aaa	AA+	07/27/16	01/27/20	942	28	1.125%	1.125%	2,000,000	2,000,000
3136G3XC4	FNMA Callable	Aaa	AA+	07/27/16	07/27/18	393		0.800%	0.801%	1,000,000	999,000
3134G92L0	FHLMC Step-Up Callable	Aaa	AA+	08/17/16	08/17/21	1,510	49	1.400%	1.400%	1,000,000	1,000,000
3136G3V85	FNMA Callable	--	AA+	08/24/16	02/24/20	970		1.250%	1.250%	1,000,000	1,000,000
3134GAJX3	FHLMC Step-Up Callable	Aaa	AA+	09/27/16	09/27/19	820	90	1.000%	1.000%	1,000,000	1,000,000
3134GAJS4	FHLMC Step-Up Callable	Aaa	AA+	09/28/16	09/28/18	456	91	0.875%	0.875%	1,000,000	1,000,000
3130A9NH0	FHLB Callable	Aaa	AA+	10/11/16	10/11/18	469		1.000%	1.000%	2,000,000	2,000,000
3136G4DR1	FNMA Callable	Aaa	AA+	10/17/16	10/17/19	840	110	1.100%	1.101%	1,000,000	999,000
3136G4GE7	FNMA Callable	Aaa	AA+	11/15/16	11/15/19	869	139	1.125%	1.126%	2,000,000	1,998,200
3136G4KB8	FNMA Callable	Aaa	AA+	12/30/16	03/30/20	1,005	93	1.650%	1.650%	1,000,000	1,000,000
3134GAH64	FHLMC NTS	Aaa	AA+	01/26/17	07/26/19	757	27	1.500%	1.500%	400,000	400,000
3134GA5Q3	FHLMC MTN	Aaa	AA+	02/28/17	08/28/19	790	60	1.550%	1.550%	1,000,000	1,000,000
3134GBKM3	FHLMC MTN Step-Up	Aaa	AA+	05/11/17	05/11/20	1,047	43	1.250%	1.250%	1,000,000	1,000,000
3134GBQV7	FHLMC Callable	Aaa	AA+	05/30/17	11/22/19	876	146	1.500%	1.500%	1,000,000	1,000,000
3134GBTA0	FHLMC Step-Up Callable	Aaa	AA+	06/22/17	12/22/20	1,272	85	1.300%	1.300%	1,000,000	1,000,000
						865	71	1.214%	1.214%	\$ 26,864,286	\$ 26,863,486

Medium Term Notes

94974BGB0	Wells Fargo & Co Mtn	A2	A	06/23/16	09/08/17	71		1.400%	1.394%	450,000	452,095
742651DE9	Private Export Funding Corp.	Aaa	AA+	10/26/12	09/15/17	78		5.450%	4.501%	\$ 225,000	\$ 272,462
						74		2.750%	2.562%	\$ 675,000	\$ 724,557

Commercial Paper

46640PV34	JP MORGAN SECS DC/P	P-1	A-1	03/08/17	08/03/17	35		1.192%	1.182%	1,000,000	995,190
36164JXQ2	GE CAPITAL TREAS DC/P	P-1	A-1+	02/22/17	10/24/17	117		1.124%	1.124%	1,000,000	992,544
						76		1.158%	1.165%	\$ 2,000,000	\$ 1,987,734

Municipal Bonds

052476N79	AUSTIN TEX WTR REV	AA2	AA	11/15/16	05/15/21	1,416		2.544%	2.455%	\$ 1,000,000	\$ 1,036,460
834666GG8	SOMERSET CNTY NJ REV	AAA	AAA	06/23/17	05/15/18	320		3.320%	3.263%	\$ 350,000	\$ 356,139
882806EL2	TEXAS TECH UNIV REVS	AA1	AA+	01/12/17	02/15/19	596		1.804%	1.789%	500,000	504,115
13066YTY5	CALIF ST DEPT REV	AA1	AA	12/02/16	05/01/21	1,402		1.713%	1.733%	492,227	486,660
						1,076		2.327%	2.287%	\$ 2,342,227	\$ 2,383,374

Total Investments

446 **1.161%** **1.160%** **\$ 60,518,909** **\$ 60,561,946**

TOTAL - ALL DEPOSITS AND INVESTMENTS

\$ 70,923,738

**Olivenhain Municipal Water District
INVESTMENTS TRANSACTION
June 30, 2017**

PURCHASED

<u>DATE</u>				<u>Investment Description</u>	<i>Stated</i>	<i>Current</i>	<u>Face Value</u>	<u>Book Value</u>
<u>Purchase</u>	<u>Maturity</u>	<u>Call</u>	<u>Step-Up</u>		<i>Coupon</i>	<i>Yield</i>		
06/22/17	12/22/20	09/22/17	09/22/17	FHLMC Step-Up Callable	1.300%	1.300%	1,000,000	1,000,000
06/23/17	05/15/18			SOMERSET CNTY NJ REV	3.320%	3.263%	350,000	356,139

MATURED / REDEEMED / CALLED

<u>DATE</u>				<u>Investment Description</u>	<i>Stated</i>	<i>Current</i>	<u>Face Value</u>	<u>Book Value</u>
<u>Redemption</u>	<u>Maturity</u>	<u>Call</u>	<u>Step-Up</u>		<i>Coupon</i>	<i>Yield</i>		

Olivenhain Municipal Water District
UNAUDITED CASH POSITION BY FUNDING SOURCES
As of June 30, 2017

(Totals will change as there are year-end fund transfers not yet processed)

<u>Water Funds (Potable & Recycled)</u>	<u>Balance</u>
10050-100 Cash - Petty Cash Fund	\$ 1,466
10030-100 Cash - Capital and Equipment Fund	18,325,185
10010-100 Cash - Operating Fund	8,397,367
10060-100 Cash - Deposit Work for Other	254,769
10040-100 Cash - Rate Stabilization	7,602,874
10010-120 Cash - Recycled Fund	7,086,599
10030-120 Cash - Capital Replacement Fund	1,205,884
14005-100 Cash - IRWMP - Grant	117,840
Total Water Funds (Potable & Recycled)	<u>\$ 42,991,983</u>
<u>Wastewater Funds</u>	
10010-110 4S Ranch Sanitation District - Operating Fund	551,047
10030-110 4S Ranch Sanitation District - Capital Replacement Fund	11,156,283
10040-110 Wastewater - Rate Stabilization Fund	2,460,275
10010-111 Rancho Cielo Sanitation District - Operating Fund	285,946
Total Wastewater Funds	<u>\$ 14,453,550</u>
<u>Capacity Fee Funds</u>	
10030-400 Expansion Fund - Recycled Water	1,337,157
14000-500 Capacity Fee Fund - Treated Water	8,255,150
Total Capacity Fee Funds	<u>\$ 9,592,307</u>
<u>Non Fiscal Agent Debt Service Cash</u>	
14020-570 AD RE-FI Non Trustee	340,085
14020-561 2015A Bonds - Non Trustee	7,372
14020-581 Cash non-agent-Bond 2016	13,866
Total Non Fiscal Agent Debt Service Cash	<u>\$ 361,323</u>
<u>Debt Service Funds</u>	
14030-510 SRF Loan - Fiscal Agent	334,895
14100-570 Redemption fund - RAD 96-1	1,417,343
14110-570 Reserve fund - RAD 96-1	1,435,768
14120-570 Prepayment fund - RAD 96-1	49,184
14100-561 2015A Redemption Fund	204,349
14160-581 Cost of Issuance Fund-Bond 2016	-
14100-581 Redemption fund-Bond 2016	83,035
14170-581 Escrow Fund-Bond 2016	-
Total Debt Service Funds	<u>\$ 3,524,574</u>
TOTAL FUND BALANCES	<u>\$ 70,923,738</u>