

Staff Report

for the Regular Meeting of the Board of Directors August 22, 2018

TO: Board of Directors

FROM: Marvin Davis, MBA, CPA, Finance Manager/Treasurer

DATE: August 15, 2018

SUBJECT: Quarterly Investment, Short-Term Forecast & Reserves

FINANCE

RECOMMENDATION:

Receive the quarterly investment, short-term cash forecast and reserve report for the period ending June 30, 2018.

BACKGROUND:

The Nevada Irrigation District's Investment Policy requires and Government Code Section 53646 encourages submittal to the Board of Directors a quarterly investment report. This report presents the District's cash and investment portfolio at June 30, 2018 managed by staff, excluding pension and other benefits. First and second quarter earnings came in at \$551,310 compared to prior year of \$523,688 an increase of \$27,622. Staff feels comfortable with the current maturity ladder holding 51.5% of total cash out to 2021.

Currently, the year-end short-term forecast is \$15.5 Million and considers the 2018 budget reserve draw of \$7.9 Million, long-term investment maturities, planned sale of roughly \$5M of long-term investments in September, interest earnings and encumbrance activity.

Excluding encumbrances, total cash under staff's management is \$96,819,475, including \$17,666,751 in 2016A bond proceeds. Reserve balance are estimated at quarter end and adjustments occur at fiscal year-end depending on approved budget amendments, operating results and policy 3040 direction.

BUDGETARY IMPACT: N/A

MD

Attachments: June 30, 2018 Investment, Short-term forecast and Reserve Report

Nevada Irrigation District

Quarterly Cash & Investment Report June 30, 2018: Short & Long-Term Investments

Investment Type	Issuer	Interest Rate	Maturity Date	Cost Basis	Market Value	Net Unrealized Gain/Loss	Price
<u>L-Term Investments</u>							
Corporate Obligations	ALLY BK	1.250%	8/19/2019	\$ 250,000	\$ 246,193	\$ (3,808)	\$ 98.48
Corporate Obligations	AMERICAN EXP F/R	1.900%	6/1/2020	250,000	245,255	(4,745)	98.10
Corporate Obligations	AMERICAN EXPRESS	2.200%	12/11/2019	250,000	248,030	(1,970)	99.21
Corporate Obligations	BANK BARODA NY Y	1.500%	10/30/2020	250,000	240,905	(9,095)	96.36
Corporate Obligations	BMW BK N A	2.200%	10/16/2020	250,000	246,573	(3,428)	98.63
Corporate Obligations	CAP ONE NATL ASSN	2.200%	10/21/2020	250,000	246,540	(3,460)	98.62
Corporate Obligations	CAPITAL ONE BK	2.200%	10/21/2020	250,000	246,540	(3,460)	98.62
Corporate Obligations	CIT BK SALT LAKE	2.200%	12/10/2019	250,000	248,668	(1,333)	99.47
Corporate Obligations	COMENTY CAP BK	1.750%	10/29/2021	250,000	237,468	(12,533)	94.99
Corporate Obligations	DISCOVER BK	1.500%	8/17/2021	250,000	238,733	(11,268)	95.49
Corporate Obligations	ENTERPRISE BK	1.250%	2/12/2019	250,000	248,545	(1,455)	99.42
Corporate Obligations	FIRST SVC BK	1.300%	8/12/2019	250,000	246,873	(3,128)	98.75
Corporate Obligations	GOLDMAN SACHS BK	1.900%	5/29/2020	250,000	245,910	(4,090)	98.36
Corporate Obligations	KEY BK NATL	1.350%	2/4/2019	250,000	249,268	(733)	99.71
Corporate Obligations	LANDMARK CMNTY BK	1.350%	2/4/2019	250,000	249,268	(733)	99.71
Corporate Obligations	LIVE OAK BKG CO	1.400%	8/12/2019	250,000	248,358	(1,643)	99.34
Corporate Obligations	LUANA SVGS BK	1.400%	8/2/2019	250,000	247,248	(2,753)	98.90
Corporate Obligations	MARLIN BUS BK	1.150%	4/29/2019	250,000	247,458	(2,543)	98.98
Corporate Obligations	MB FINL BK	1.300%	10/28/2020	250,000	240,918	(9,083)	96.37
Corporate Obligations	MERCHANTS & FMRS	1.200%	10/25/2019	250,000	245,325	(4,675)	98.13
Corporate Obligations	SYNCHRONY BK	1.900%	5/26/2020	250,000	245,955	(4,045)	98.38
Corporate Obligations	WELLS FARGO BK	1.750%	6/17/2021	250,000	240,143	(9,858)	96.06
Corporate Obligations	WEX BK MIDVALE	1.800%	6/2/2020	250,000	245,415	(4,585)	98.17
Government Obligations	FFCB BDS	1.060%	11/9/2018	1,989,000	1,991,420	2,420	99.57
Government Obligations	FFCB BDS	1.340%	10/13/2020	3,000,000	2,900,850	(99,150)	96.70
Government Obligations	FFCB BDS	1.490%	3/30/2020	2,000,000	1,961,000	(39,000)	98.05
Government Obligations	FFCB BDS	1.500%	7/6/2021	2,000,000	1,923,960	(76,040)	96.20
Government Obligations	FFCB BDS	1.520%	11/15/2021	4,500,000	4,306,185	(193,815)	95.69
Government Obligations	FFCB NT	1.640%	2/10/2021	1,500,000	1,448,730	(51,270)	96.58
Government Obligations	FHLB BDS	1.370%	10/24/2019	147,059	144,751	(2,307)	98.43

Nevada Irrigation District

Quarterly Cash & Investment Report June 30, 2018: Short & Long-Term Investments

Investment Type	Issuer	Interest Rate	Maturity Date	Cost Basis	Market Value	Net Unrealized Gain/Loss	Price
Government Obligations	FHLB BDS	1.400%	5/18/2020	1,225,000	1,198,467	(26,534)	97.83
Government Obligations	FHLB BDS	1.600%	11/26/2021	3,477,250	3,361,540	(115,710)	96.04
Government Obligations	FHLB BDS	1.700%	4/28/2020	464,286	457,222	(7,064)	98.48
Government Obligations	FHLB BDS	1.720%	10/28/2020	2,000,000	1,954,900	(45,100)	97.75
Government Obligations	FHLMC MTN	1.600%	8/9/2021	6,000,000	5,727,960	(272,040)	95.47
Government Obligations	FHLMC NTS	1.950%	12/2/2021	1,000,000	967,270	(32,730)	96.73
Government Obligations	FNMA NT	1.400%	11/26/2019	3,000,000	2,955,810	(44,190)	98.53
Government Obligations	FNMA NT	1.500%	5/25/2021	1,996,400	1,925,200	(71,200)	96.26
Government Obligations	FNMA NT	1.500%	7/27/2021	7,000,000	6,733,300	(266,700)	96.19
Government Obligations	FNMA NT	1.550%	7/28/2020	500,000	488,785	(11,215)	97.76
Government Obligations	FNMA NTS	1.500%	8/25/2021	2,000,000	1,919,400	(80,600)	95.97
Government Obligations	FNMA NTS	1.500%	9/29/2021	3,000,000	2,849,310	(150,690)	94.98
Government Obligations	FNMA NTS	1.510%	9/30/2021	4,000,000	3,830,240	(169,760)	95.76
Government Obligations	FNMA NTS	1.750%	5/25/2021	2,000,000	1,945,400	(54,600)	97.27

Total L-Term Investments \$ 58,548,995

S-Term Investments & Checking Account

Corporate Obligations	Union Bank Money Mkt	0.01%	6/30/2018	19,588	19,588	N/A	N/A
Local Investment Pool	Local Agency IF	1.59%	6/30/2018	15,678,114	15,678,114	N/A	N/A
Checking Account	Wells Fargo Checking	0.03%	6/30/2018	1,871,215	1,871,215	N/A	N/A

Total S-Term Investments \$ 17,568,917

	YTD Interest
L-Term Investments	451,157
S-Term Investments	100,153
\$	551,310

Total Investment \$ 76,117,912

Annualized Return 1.46% excludes Wells Fargo Checking Account

Nevada Irrigation District

Quarterly Cash & Investment Report June 30, 2018: Maturity Schedule

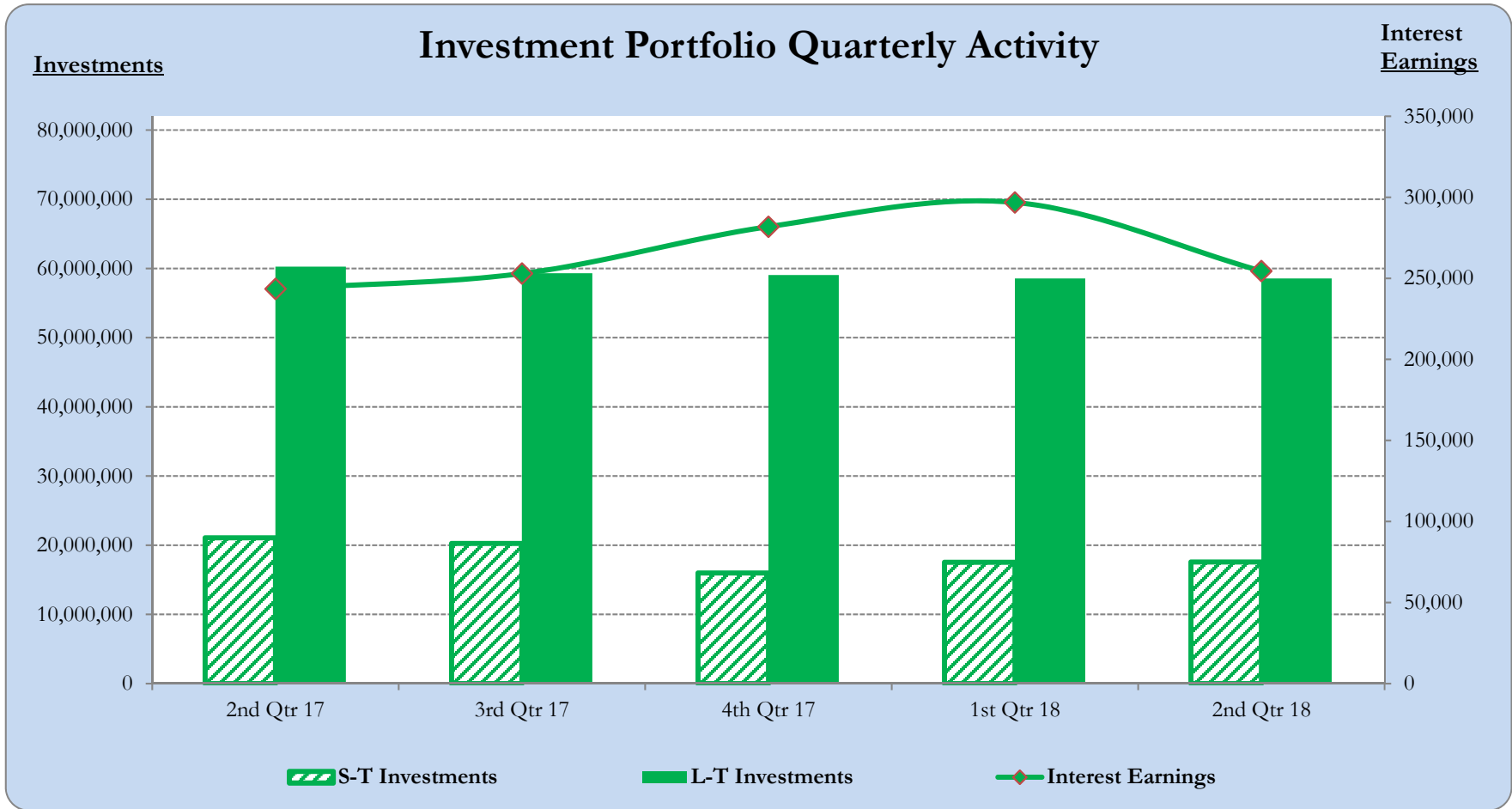
Maturity Year ➡

Short-Term

Month	2018	2018	2019	2020	2021	Grand Total
Jan						-
Feb			750,000		1,500,000	2,250,000
Mar	17,568,917			2,000,000		19,568,917
Apr			250,000	464,286		714,286
May				1,725,000	3,996,400	5,721,400
Jun				500,000	250,000	750,000
Jul				500,000	9,000,000	9,500,000
Aug			1,000,000		8,250,000	9,250,000
Sep					7,000,000	7,000,000
Oct			397,059	6,250,000	250,000	6,897,059
Nov		1,989,000	3,000,000		7,977,250	12,966,250
Dec			500,000		1,000,000	1,500,000
Grand Total	17,568,917	1,989,000	5,897,059	11,439,286	39,223,650	76,117,912
Portfolio %	23.1%	2.6%	7.7%	15.0%	51.5%	100.0%

Nevada Irrigation District

Quarterly Cash & Investment Report June 30, 2018: Long-Term Investments & Interest Earnings



Nevada Irrigation District

Quarterly Cash & Investment Report June 30, 2018: Cash Reserves

	Water	Restricted	Bonds	Recreation	Hydroelectric	Total	Policy Amounts
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	2017 Unaudited Cash	\$ 15,706,292	\$ 7,150,197	\$ 17,295,080	\$ 1,300,408	\$ 51,000,578	\$ 92,452,555
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<u>Policy</u>								
	Restricted Reserves							
3040.3.1	Capacity Fees	6,526,957	-	-	-	6,526,957	\$2M minimum	
3040.3.2	Debt Service	623,240	-	-	-	623,240	Covenant Driven	
3040.3.3	Bond/Loan/Fiduciary	-	17,666,751	-	-	17,666,751	Covenant Driven	
	Restricted Total	-	7,150,197	17,666,751	-	-	24,816,948	
	Designated Reserves							
3040.4.1	Operating	6,370,818			634,525	15,000,000	22,005,343	See below
3040.4.2	Water Rate Stabilization	-			-	-	-	\$0 minimum
3040.4.3	Community Investment Stabilization	1,500,000			-	-	1,500,000	\$1.5M
3040.4.4	Capital Improvement/Replacement	2,500,000			700,000	32,195,811	35,395,811	\$0 minimum
3040.4.5	Insurance and Catastrophic Occurrence	2,500,000			-	2,500,000	5,000,000	\$5 - 10M
3040.4.6	Watershed Stewardship	1,995,249			-	-	1,995,249	\$500K minimum
3040.4.7	Accrued Leave	1,091,159			35,752	133,498	1,260,408	50% liability
	Designated Total	15,957,226	-	-	1,370,276	49,829,309	67,156,810	
	Working Capital							
3040.5.1	Operating Cash	1,783,445	-	-	250,000	2,812,273	4,845,717	
	Total	17,740,670	7,150,197	17,666,751	1,620,276	52,641,581	96,819,475	
	Operating Reserve Policy	17,804,425			1,076,292	6,808,303	25,689,019	6 months Ops Bud
	Months	2.15			3.54	13.22	5.14	

Nevada Irrigation District

Short-Term Cash Forecast: Jul thru Dec 2018

	Actual			Forecast ⇨		
	2017 Dec	2018 Jan - Mar	2018 Apr - Jun	2018 Jul - Sep	2018 Oct - Dec	
Union Bank	-					
Wells Fargo	3,772,886					
LAIF	12,198,438					
Short-T Cash	\$ 15,971,324					Reconcile to Budget Total
<u>Wells Fargo</u>						
Budget Receipts		17,388,015	16,252,367	15,433,671	12,933,969	62,008,022
True-Up Receipts		1,574,329	257,236	559,271	-	
Budget Disbursements		19,827,541	17,949,897	23,151,809	20,569,641	81,498,889
True-Up Disbursement		(1,611,185)	1,807,371	(15,865)	-	
Transfer Ins/(Outs)		200,000	400,000	8,300,000	7,700,000	(19,490,867) Budget Rec - Disb
Ending Balance		4,718,874	1,871,209	3,028,206	3,092,534	1,513,940 Interfund, Interest
<u>Union Bank</u>						
		106,842				10,000,000 2016A Cash
<u>LAIF</u>						
2016A Drawdown		-	3,036,000	-	5,400,000	(7,976,927) Original Budget
Transfer Ins/(Outs) WF		(200,000)	(400,000)	(8,300,000)	(7,700,000)	(10,636,521) 2017 Enc Rollover
Transfer Ins/(Outs) UB		706,138	337,536	5,269,849	2,089,000	9,000,000 2018 Est Rollover
Ending Balance		12,704,576	15,678,112	12,647,961	12,436,961	(1,636,521) Net Cash Impact
Total Short-Term Cash	\$ 17,530,292	\$ 17,549,321		\$ 15,676,167	\$ 15,529,495	\$ 13,892,974 Est with Enc Impact