

# Staff Report

for the Regular Meeting of the Board of Directors November 14, 2018

**TO:** Board of Directors

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

**DATE:** November 7, 2018

**SUBJECT: Quarterly Investment, Short-Term Forecast & Reserves**

***FINANCE***

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**RECOMMENDATION:**

Receive the quarterly investment, short-term cash forecast and reserve report for the period ending September 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 September 30, 2018 managed by staff, excluding pension and other benefits. Year to date earnings came in at \$806,007 compared to prior year of \$776,623 an increase of \$29,384. 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 \$17.4 Million and considers the 2018 budget reserve draw of \$7.9 Million, long-term investment maturities, interest earnings and encumbrance activity.

Excluding encumbrances, total cash under staff's management is \$97,263,902, including \$18,084,002 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: September 30<sup>th</sup> Investment, Short-term forecast and Reserve Report

# Nevada Irrigation District

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

Investment Type	Issuer	Interest Rate	Maturity Date	Cost Basis	Market Value	Net Unrealized Gain/Loss	Price
<b><u>L-Term Investments</u></b>							
Corporate Obligations	ALLY BK	1.250%	8/19/2019	\$ 250,000	\$ 247,020	\$ (2,980)	\$ 98.81
Corporate Obligations	AMERICAN EXP F/R	1.900%	6/1/2020	250,000	246,008	(3,993)	98.40
Corporate Obligations	AMERICAN EXPRESS	2.200%	12/11/2019	250,000	248,415	(1,585)	99.37
Corporate Obligations	BANK BARODA NY Y	1.500%	10/30/2020	250,000	241,620	(8,380)	96.65
Corporate Obligations	BMW BK N A	2.200%	10/16/2020	250,000	246,713	(3,288)	98.69
Corporate Obligations	CAP ONE NATL ASSN	2.200%	10/21/2020	250,000	246,678	(3,323)	98.67
Corporate Obligations	CAPITAL ONE BK	2.200%	10/21/2020	250,000	246,678	(3,323)	98.67
Corporate Obligations	CIT BK SALT LAKE	2.200%	12/10/2019	250,000	248,835	(1,165)	99.53
Corporate Obligations	COMENTY CAP BK	1.750%	10/29/2021	250,000	237,963	(12,038)	95.19
Corporate Obligations	DISCOVER BK	1.500%	8/17/2021	250,000	239,243	(10,758)	95.70
Corporate Obligations	ENTERPRISE BK	1.250%	2/12/2019	250,000	249,170	(830)	99.67
Corporate Obligations	FIRST SVC BK	1.300%	8/12/2019	250,000	247,605	(2,395)	99.04
Corporate Obligations	GOLDMAN SACHS BK	1.900%	5/29/2020	250,000	246,430	(3,570)	98.57
Corporate Obligations	KEY BK NATL	1.350%	2/4/2019	250,000	249,600	(400)	99.84
Corporate Obligations	LANDMARK CMNTY BK	1.350%	2/4/2019	250,000	249,610	(390)	99.84
Corporate Obligations	LIVE OAK BKG CO	1.400%	8/12/2019	250,000	248,765	(1,235)	99.51
Corporate Obligations	LUANA SVGS BK	1.400%	8/2/2019	250,000	247,915	(2,085)	99.17
Corporate Obligations	MARLIN BUS BK	1.150%	4/29/2019	250,000	248,325	(1,675)	99.33
Corporate Obligations	MB FINL BK	1.300%	10/28/2020	250,000	241,623	(8,378)	96.65
Corporate Obligations	MERCHANTS & FMRS	1.200%	10/25/2019	250,000	246,120	(3,880)	98.45
Corporate Obligations	SYNCHRONY BK	1.900%	5/26/2020	250,000	246,470	(3,530)	98.59
Corporate Obligations	WELLS FARGO BK	1.750%	6/17/2021	250,000	240,670	(9,330)	96.27
Corporate Obligations	WEX BK MIDVALE	1.800%	6/2/2020	250,000	245,998	(4,003)	98.40
Government Obligations	FFCB BDS	1.060%	11/9/2018	1,989,000	1,997,000	8,000	99.85
Government Obligations	FFCB BDS	1.340%	10/13/2020	3,000,000	2,911,290	(88,710)	97.04
Government Obligations	FFCB BDS	1.490%	3/30/2020	2,000,000	1,962,020	(37,980)	98.10
Government Obligations	FFCB BDS	1.500%	7/6/2021	2,000,000	1,925,700	(74,300)	96.29
Government Obligations	FFCB BDS	1.520%	11/15/2021	4,500,000	4,310,820	(189,180)	95.80
Government Obligations	FFCB NT	1.640%	2/10/2021	1,500,000	1,458,255	(41,745)	97.22
Government Obligations	FHLB BDS	1.370%	10/24/2019	147,059	144,835	(2,224)	98.49

# Nevada Irrigation District

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

Investment Type	Issuer	Interest Rate	Maturity Date	Cost Basis	Market Value	Net Unrealized Gain/Loss	Price
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## L-Term Investments

Government Obligations	FHLB BDS	1.400%	5/18/2020	1,225,000	1,197,548	(27,452)	97.76
Government Obligations	FHLB BDS	1.600%	11/26/2021	3,477,250	3,363,045	(114,205)	96.09
Government Obligations	FHLB BDS	1.700%	4/28/2020	464,286	456,431	(7,855)	98.31
Government Obligations	FHLB BDS	1.720%	10/28/2020	2,000,000	1,953,960	(46,040)	97.70
Government Obligations	FHLMC MTN	1.600%	8/9/2021	6,000,000	5,789,760	(210,240)	96.50
Government Obligations	FHLMC NTS	1.950%	12/2/2021	1,000,000	962,600	(37,400)	96.26
Government Obligations	FNMA NT	1.400%	11/26/2019	3,000,000	2,956,350	(43,650)	98.55
Government Obligations	FNMA NT	1.500%	5/25/2021	1,996,400	1,920,540	(75,860)	96.03
Government Obligations	FNMA NT	1.500%	7/27/2021	7,000,000	6,713,350	(286,650)	95.91
Government Obligations	FNMA NT	1.550%	7/28/2020	500,000	488,320	(11,680)	97.66
Government Obligations	FNMA NTS	1.500%	8/25/2021	2,000,000	1,913,560	(86,440)	95.68
Government Obligations	FNMA NTS	1.500%	9/29/2021	3,000,000	2,841,870	(158,130)	94.73
Government Obligations	FNMA NTS	1.510%	9/30/2021	4,000,000	3,817,960	(182,040)	95.45
Government Obligations	FNMA NTS	1.750%	5/25/2021	2,000,000	1,939,640	(60,360)	96.98

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

## S-Term Investments & Checking Account

Corporate Obligations	Union Bank Money Mkt	0.01%	9/30/2018	39,581	39,581	N/A	N/A
Local Investment Pool	Local Agency IF	1.73%	9/30/2018	14,308,963	14,308,963	N/A	N/A
Checking Account	Wells Fargo Checking	0.03%	9/30/2018	3,204,196	3,204,196	N/A	N/A

**Total S-Term Investments \$ 17,552,740**

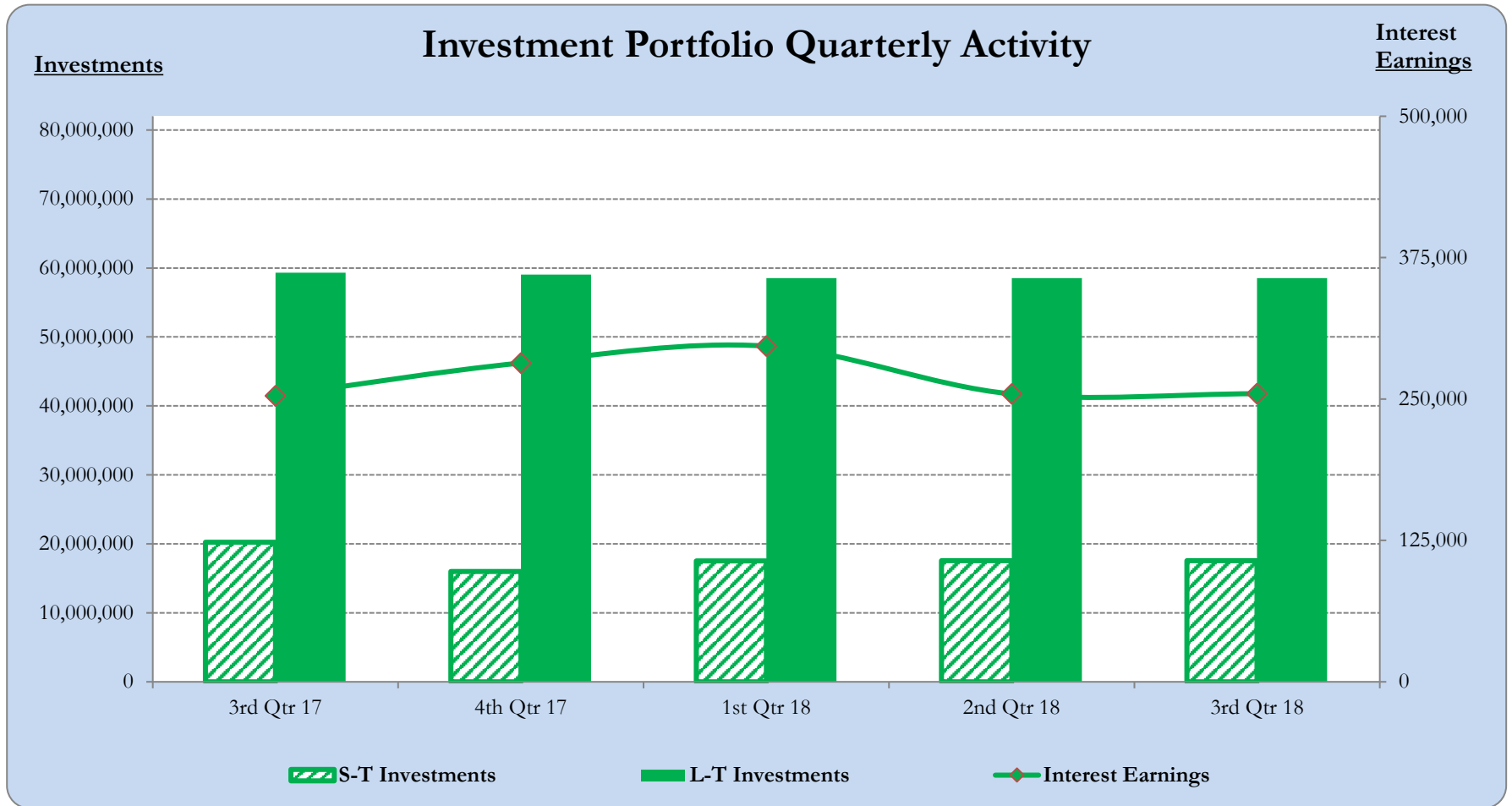
	YTD Interest
L-Term Investments	633,026
S-Term Investments	172,981
<b>\$</b>	<b>806,007</b>

**Total Investment \$ 76,101,735**

**Annualized Return 1.46%** excludes Wells Fargo Checking Account

# Nevada Irrigation District

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



# Nevada Irrigation District

Quarterly Cash & Investment Report September 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	17,552,740			2,000,000		19,552,740
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
<b>Grand Total</b>	17,552,740	1,989,000	5,897,059	11,439,286	39,223,650	76,101,735

Portfolio %	23.1%	2.6%	7.7%	15.0%	51.5%	100.0%
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## Nevada Irrigation District

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

	Water	Restricted	Bonds	Recreation	Hydroelectric	Total	Policy Amounts
<b>2017 Audited Cash</b>	<b>\$ 15,711,671</b>	<b>\$ 7,138,137</b>	<b>\$ 17,706,823</b>	<b>\$ 1,132,707</b>	<b>\$ 49,501,684</b>	<b>\$ 91,191,022</b>	
<b>Restricted Reserves</b>							
<u>Policy</u>							
3040.3.1	Capacity Fees	6,526,957	-	-	-	6,526,957	\$2M minimum
3040.3.2	Debt Service	611,180	-	-	-	611,180	Covenant Driven
3040.3.3	Bond/Loan/Fiduciary	-	18,084,002	-	-	18,084,002	Covenant Driven
	<b>Restricted Total</b>	-	7,138,137	-	-	25,222,139	
<b>Designated Reserves</b>							
3040.4.1	Operating	6,751,876		220,924	24,863,307	31,836,107	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	25,000,000	28,200,000	\$0 minimum
3040.4.5	Insurance and Catastrophic Occurrence	-		-	5,000,000	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
	<b>Designated Total</b>	13,838,284	-	-	956,676	54,996,805	69,791,764
<b>Working Capital</b>							
3040.5.1	Operating Cash	1,000,000	-	-	250,000	1,000,000	2,250,000
	<b>Total</b>	<b>14,838,284</b>	<b>7,138,137</b>	<b>18,084,002</b>	<b>1,206,675</b>	<b>55,996,804</b>	<b>97,263,902</b>
	Operating Reserve Months	2.28		1.23	19.73	7.22	6 months policy

# Nevada Irrigation District

Short-Term Cash Forecast: Oct thru Dec 2018

Actual					Forecast		
	2017	2018	2018	2018	2018		Reconcile to Budget
	Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec		
Union Bank	-					Budget Rec - Disb	(19,490,867)
Wells Fargo	3,772,886					Transfer Ins & Outs	313,940
LAIF	12,198,438					Interest Income	1,200,000
Short-T Cash	\$ 15,971,324					2016A Cash	10,000,000
						Original Budget	(7,976,927)
<u>Wells Fargo</u>							
Budget Receipts		17,388,015	16,252,367	15,433,671	12,933,969		
True-Up Receipts		1,574,329	257,236	1,980,320	-		
Budget Disbursements		19,827,541	17,949,897	23,151,809	20,569,641		
True-Up Disbursement		(1,611,185)	1,807,371	(5,470,800)	-		
LAIF Transfer Ins/(Outs)		200,000	400,000	1,600,000	7,500,000		
Ending Balance		4,718,874	1,871,209	3,204,190	3,068,518		
<u>Union Bank</u>							
		106,842					
<u>LAIF</u>							
2016A Drawdown		-	3,036,000	-	5,400,000		
Transfer Ins/(Outs) WF		(200,000)	(400,000)	(1,600,000)	(7,500,000)		
Transfer Ins/(Outs) UB		706,138	337,536	230,849	2,089,000		
Ending Balance		12,704,576	15,678,112	14,308,961	14,297,961		
<b>Total Short-Term Cash</b>	<b>\$ 17,530,292</b>	<b>\$ 17,549,321</b>	<b>\$ 17,513,151</b>	<b>\$ 17,366,479</b>			

Note: Assumes same level of encumbrances will roll annually