

Staff Report

for the Regular Meeting of the Board of Directors May 22, 2019

TO: Board of Directors

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

DATE: May 15, 2019

SUBJECT: Quarterly Investment, Short-Term Forecast & Reserves (Consent)

FINANCE

RECOMMENDATION:

Receive and file the quarterly investment, short-term cash forecast and reserve report for the period ending March 31, 2019.

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 March 31, 2019 managed by staff, excluding pension and other benefits. First quarter interest earnings came in at \$301,690 compared to prior year of \$296,814 an increase of \$4,877.

Currently, the 2019 short-term forecast is \$14.5 million and considers the 2018 end of year balance of \$22.2 million, 2019 reserve draw of \$12.9 million, long-term investment maturities of \$5.1 million, interest earnings of \$1.3 million and encumbrance activity. Excluding encumbrances, total unaudited cash under staff's management is \$101.4 million, including \$12.5 million in 2016A bond proceeds. Staff estimates reserves at quarter end and adjustments occur at fiscal year-end depending on approved budget amendments, operating results and policy 3040 direction.

Timely financial reporting achieves Goal #1 of the District's Strategic Plan by demonstrating proactive management of our physical, financial and human resources.

BUDGETARY IMPACT: N/A

MD Attachments: March 31st Investment, Short-term forecast and Reserve Report

Nevada Irrigation District
Quarterly Cash & Investment Report: March 31, 2019
Short & Long-Term Investments

Investment Type	Issuer	Interest Rate	Maturity Date	Cost Basis	Market Value	Net Unrealized Gain/Loss	Price
Corporate Obligations	MARLIN BUS BK	1.150%	4/29/2019	\$ 250,000	\$ 249,748	\$ (253)	\$ 99.90
Corporate Obligations	LUANA SVGS BK	1.400%	8/2/2019	250,000	249,153	(848)	99.66
Corporate Obligations	FIRST SVC BK	1.300%	8/12/2019	250,000	249,005	(995)	99.60
Corporate Obligations	LIVE OAK BKG CO	1.400%	8/12/2019	250,000	249,503	(498)	99.80
Corporate Obligations	ALLY BK	1.250%	8/19/2019	250,000	248,723	(1,278)	99.49
Government Obligations	FHLB BDS	1.370%	10/24/2019	147,059	146,171	(888)	99.40
Corporate Obligations	MERCHANTS & FMRS	1.200%	10/25/2019	250,000	248,098	(1,903)	99.24
Government Obligations	FNMA NT	1.400%	11/26/2019	3,000,000	2,980,110	(19,890)	99.34
Corporate Obligations	CIT BK SALT LAKE	2.200%	12/10/2019	250,000	249,585	(415)	99.83
Corporate Obligations	AMERICAN EXPRESS	2.200%	12/11/2019	250,000	249,393	(608)	99.76
Government Obligations	FFCB BDS	1.490%	3/30/2020	2,000,000	1,980,880	(19,120)	99.04
Government Obligations	FHLB BDS	1.700%	4/28/2020	464,286	460,556	(3,730)	99.20
Government Obligations	FHLB BDS	1.400%	5/18/2020	1,225,000	1,210,815	(14,186)	98.84
Corporate Obligations	SYNCHRONY BK	1.900%	5/26/2020	250,000	248,353	(1,648)	99.34
Corporate Obligations	GOLDMAN SACHS BK	1.900%	5/29/2020	250,000	248,330	(1,670)	99.33
Corporate Obligations	AMERICAN EXP F/R	1.900%	6/1/2020	250,000	248,258	(1,743)	99.30
Corporate Obligations	WEX BK MIDVALE	1.800%	6/2/2020	250,000	248,040	(1,960)	99.22
Government Obligations	FNMA NT	1.550%	7/28/2020	500,000	493,995	(6,005)	98.80
Government Obligations	FFCB BDS	1.340%	10/13/2020	3,000,000	2,954,190	(45,810)	98.47
Corporate Obligations	BMW BK N A	2.200%	10/16/2020	250,000	249,185	(815)	99.67
Corporate Obligations	CAP ONE NATL ASSN	2.200%	10/21/2020	250,000	249,180	(820)	99.67
Corporate Obligations	CAPITAL ONE BK	2.200%	10/21/2020	250,000	249,180	(820)	99.67
Corporate Obligations	MB FINL BK	1.300%	10/28/2020	250,000	245,333	(4,668)	98.13
Government Obligations	FHLB BDS	1.720%	10/28/2020	2,000,000	1,978,080	(21,920)	98.90
Corporate Obligations	BANK BARODA NY Y	1.500%	10/30/2020	250,000	245,325	(4,675)	98.13
Government Obligations	FFCB NT	1.640%	2/10/2021	1,500,000	1,480,935	(19,065)	98.73
Government Obligations	FNMA NT	1.500%	5/25/2021	1,996,400	1,958,080	(38,320)	97.90
Government Obligations	FNMA NTS	1.750%	5/25/2021	2,000,000	1,972,400	(27,600)	98.62
Corporate Obligations	WELLS FARGO BK	1.750%	6/17/2021	250,000	245,073	(4,928)	98.03

Nevada Irrigation District
Quarterly Cash & Investment Report: March 31, 2019
Short & Long-Term Investments

Investment Type	Issuer	Interest Rate	Maturity Date	Cost Basis	Market Value	Net Unrealized Gain/Loss	Price
Government Obligations	FFCB BDS	1.500%	7/6/2021	2,000,000	1,962,920	(37,080)	98.15
Government Obligations	FNMA NT	1.500%	7/27/2021	7,000,000	6,877,080	(122,920)	98.24
Government Obligations	FHLMC MTN	1.600%	8/9/2021	6,000,000	5,896,860	(103,140)	98.28
Corporate Obligations	DISCOVER BK	1.500%	8/17/2021	250,000	243,855	(6,145)	97.54
Government Obligations	FNMA NTS	1.500%	8/25/2021	2,000,000	1,963,460	(36,540)	98.17
Government Obligations	FNMA NTS	1.500%	9/29/2021	3,000,000	2,941,890	(58,110)	98.06
Government Obligations	FNMA NTS	1.510%	9/30/2021	4,000,000	3,923,320	(76,680)	98.08
Corporate Obligations	COMENITY CAP BK	1.750%	10/29/2021	250,000	242,688	(7,313)	97.08
Government Obligations	FFCB BDS	1.520%	11/15/2021	4,500,000	4,407,930	(92,070)	97.95
Government Obligations	FHLB BDS	1.600%	11/26/2021	3,477,250	3,436,475	(40,775)	98.19
Government Obligations	FHLMC NTS	1.950%	12/2/2021	1,000,000	989,320	(10,680)	98.93

Total L-Term Investments \$ 55,809,995

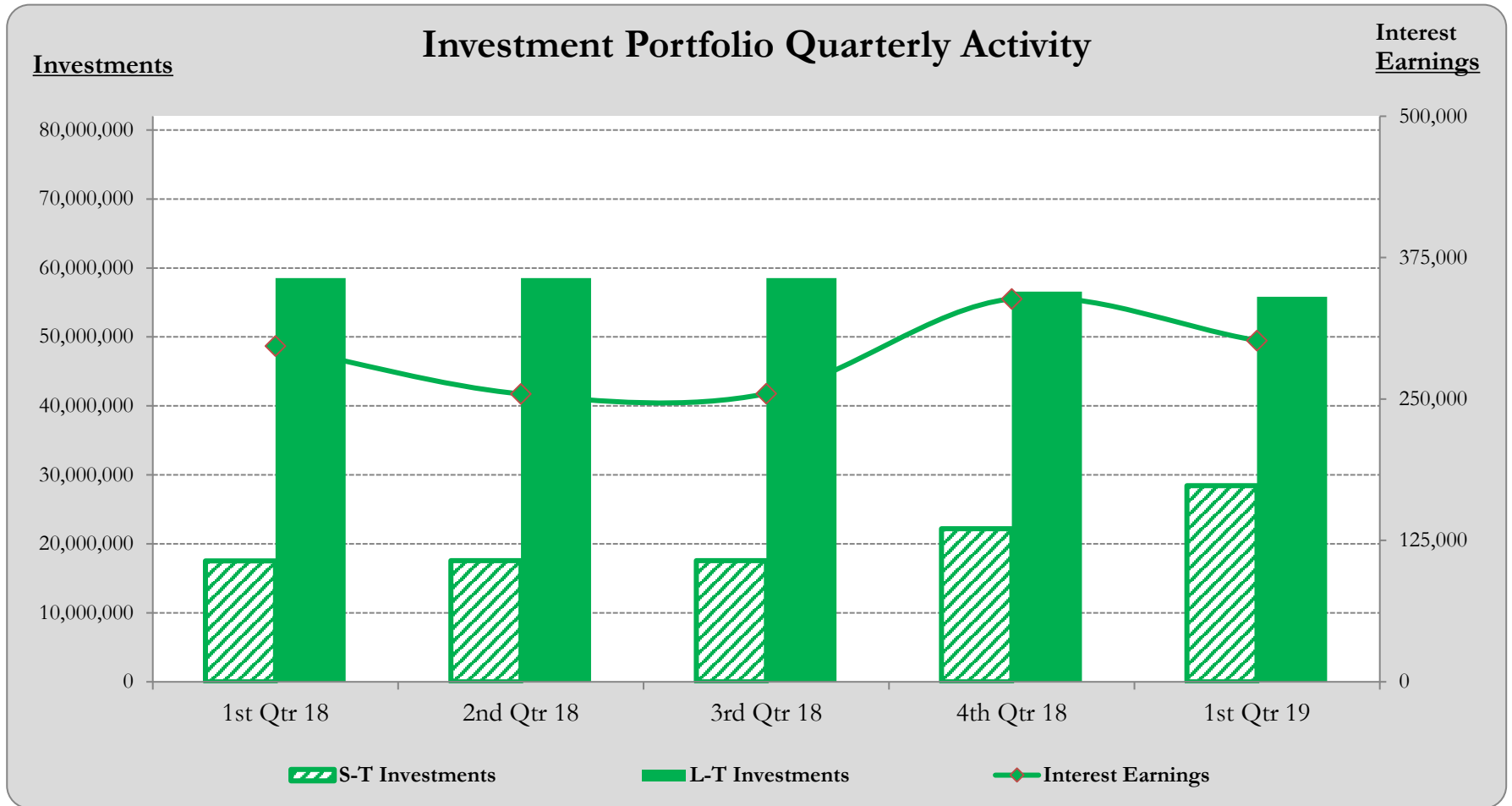
S-Term Investments & Checking Account

Corporate Obligations	Union Bank Money Mkt	0.01%	3/31/2019	65,056	65,056	N/A	N/A
Local Investment Pool	Local Agency IF	2.39%	3/31/2019	26,228,867	26,228,867	N/A	N/A
Checking Account	Wells Fargo Checking	0.03%	3/31/2019	2,147,369	2,147,369	N/A	N/A

Total S-Term Investments \$ 28,441,292

	YTD Interest		Total Investment \$	84,251,287	
L-Term Investments	203,655				
S-Term Investments	98,035				
	\$ 301,690		Annualized Return	1.46%	excludes Wells Fargo Checking Account

Nevada Irrigation District
Quarterly Cash & Investment Report: March 31, 2019
Investments & Interest Earnings



Nevada Irrigation District
Quarterly Cash & Investment Report: March 31, 2019
Portfolio Maturity Ladder

Short-Term	Long-Term
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Month	2019	2019	2020	2021	Grand Total
Jan					-
Feb				1,500,000	1,500,000
Mar	28,441,292		2,000,000		30,441,292
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		3,000,000		7,977,250	10,977,250
Dec		500,000		1,000,000	1,500,000
Grand Total	28,441,292	5,147,059	11,439,286	39,223,650	84,251,287
Portfolio %	33.8%	6.1%	13.6%	46.6%	100.0%

Nevada Irrigation District
Quarterly Cash & Investment Report: March 31, 2019
Estimated Reserve Balances

	Water	Restricted	Bonds	Recreation	Hydroelectric	Total	Policy Amounts
2018 Unaudited Reserves	\$ 13,770,281	\$ 5,399,605	\$ 12,522,962	\$ 854,358	\$ 58,107,023	\$ 90,654,229	

<u>Policy</u>	Restricted Reserves							
3040.3.1	Capacity Fees		4,788,425				4,788,425	\$2M minimum
3040.3.2	Debt Service		611,180				611,180	Covenant Driven
3040.3.3	Bond/Loan/Fiduciary			12,549,543			12,549,543	Covenant Driven
	Restricted Total	-	5,399,605	12,549,543	-	-	17,949,148	

Designated Reserves								
3040.4.1	Operating	8,518,646			504,214	20,354,566	29,377,426	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	10,276,925			441,075	15,000,000	25,718,000	\$0 minimum
3040.4.4	Capital Improvement/FERC License					16,400,000	16,400,000	\$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
	Designated Total	23,381,979	-	-	981,041	56,888,064	81,251,083	

Working Capital								
3040.5.1	Operating Cash	1,000,000			250,000	1,000,000	2,250,000	
	2019 Estimated Reserves	24,381,978	5,399,605	12,549,543	1,231,041	57,888,064	101,450,231	
	Operating Reserve Months	2.87			2.81	16.15		6 months policy

Nevada Irrigation District
Short-Term Cash Forecast: FY 2019

Actual		Forecast ⇨				
	2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	<u>Reconcile to Budget</u>
UB MoneyMkt	25,288	65,056				Disbursements <u>93,911,704</u>
	1,747,423					Budget Rec - Disb (28,269,778)
LAIF	20,419,974					Transfer Ins & Outs 972,518
Short-T Cash	\$ 22,192,685					Interest Income 1,350,000
						2016A Cash <u>13,050,000</u>
						Original Budget (12,897,260)
Wells Fargo						
Budget Receipts		18,364,454	17,181,205	16,371,273	13,724,994	
True-Up Receipts		2,858,851	-	-	-	
Budget Disbursements		22,547,683	20,773,356	26,794,206	23,796,459	
True-Up Disbursement		(6,524,324)	-	-	-	
LAIF Transfer Ins/(Outs)		(4,800,000)	3,600,000	10,400,000	10,100,000	
Ending Balance		2,147,370	2,155,218	2,132,285	2,160,820	
LAIF						
2016A Drawdown		-	1,525,000	6,525,000	-	
Transfer Ins/(Outs) WF		4,800,000	(3,600,000)	(10,400,000)	(10,100,000)	
Transfer Ins/(Outs) UB		1,008,892	587,500	337,500	1,234,559	
Ending Balance		26,228,866	24,741,366	21,203,866	12,338,425	
Total Short-Term Cash	\$ 28,441,292	\$ 26,896,584	\$ 23,336,151	\$ 14,499,245		