

Staff Report

for the Regular Meeting of the Board of Directors October 25, 2017

TO: Board of Directors
FROM: Marvin Davis, MBA, CPA, Finance Manager/Treasurer
DATE: October 18, 2017
SUBJECT: Quarterly Investment, Short-Term Cash & Reserves

FINANCE

RECOMMENDATION:

Receive the quarterly investment, short-term cash forecast and reserve report for the period ending September 30, 2017.

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, 2017. It includes all investments managed by the Agency excluding those held for external trustees.

Short-term investments are highly liquid and readily accessible, therefore the cost basis will equal its' market value. Because of this characteristic, interest rate earnings are lower than long-term investments.

The 2017 spending plan anticipates an additional \$4.6 Million reserve draw and short-term cash forecast is sufficient to meet this demand. Year to date earnings came in at \$776,623 compared to prior year of \$667,268, an increase of \$109,355. Staff feels comfortable with the current maturity ladder holding 66.1% out to 2021. The current reserve level of \$78,687,012 excludes encumbrances. Reserve balance adjustments occur at fiscal year-end depending on approved budget amendments, operating results and policy guidance. Excluding encumbrances, 2016A bond trustee cash is \$19,037,958.

BUDGETARY IMPACT: N/A

Attachments: Quarterly Investment, S-Term Cash Forecast & Reserve Report at September 30, 2017

Nevada Irrigation District

Quarterly Cash & Investment Report (excl External Trustees): September 30, 2017

Investment Type	Issuer	Interest Rate	Maturity Date	Cost Basis	Market Value	Net Unrealized Gain/Loss	Price
Corporate Obligations	ALLY BK	1.250%	8/19/2019	\$ 250,000	\$ 247,223	\$ (2,778)	\$ 98.89
Corporate Obligations	AMERICAN EXP	1.900%	6/1/2020	250,000	249,420	(580)	99.77
Corporate Obligations	AMERICAN EXPRESS	2.200%	12/11/2019	250,000	251,063	1,063	100.43
Corporate Obligations	BANK BARODA NY Y	1.500%	10/30/2020	250,000	245,133	(4,868)	98.05
Corporate Obligations	BMW BK N A	2.200%	10/16/2020	250,000	252,505	2,505	101.00
Corporate Obligations	CAP ONE NATL ASSN	2.200%	10/21/2020	250,000	252,508	2,508	101.00
Corporate Obligations	CAPITAL ONE BK	2.200%	10/21/2020	250,000	252,508	2,508	101.00
Corporate Obligations	CIT BK SALT LAKE	2.200%	12/10/2019	250,000	252,465	2,465	100.99
Corporate Obligations	COMENITY CAP BK	1.750%	10/29/2021	250,000	244,623	(5,378)	97.85
Corporate Obligations	DISCOVER BK	1.500%	8/17/2021	250,000	245,628	(4,373)	98.25
Corporate Obligations	ENTERPRISE BK	1.250%	2/12/2019	250,000	248,883	(1,118)	99.55
Corporate Obligations	FIRST SVC BK	1.300%	8/12/2019	250,000	248,278	(1,723)	99.31
Corporate Obligations	GOLDMAN SACHS BK	1.900%	5/29/2020	250,000	250,405	405	100.16
Corporate Obligations	JP MORGAN CHAS0	1.125%	2/19/2018	250,000	249,933	(68)	99.97
Corporate Obligations	KEY BK NATL	1.350%	2/4/2019	250,000	250,380	380	100.15
Corporate Obligations	LANDMARK CMNTY BK	1.350%	2/4/2019	250,000	250,380	380	100.15
Corporate Obligations	LIVE OAK BKG CO	1.400%	8/12/2019	250,000	250,763	763	100.31
Corporate Obligations	LUANA SVGS BK	1.400%	8/2/2019	250,000	248,773	(1,228)	99.51
Corporate Obligations	MARLIN BUS BK	1.150%	4/29/2019	250,000	247,900	(2,100)	99.16
Corporate Obligations	MB FINL BK	1.300%	10/28/2020	250,000	245,128	(4,873)	98.05
Corporate Obligations	MERCHANTS & FMRS	1.200%	10/25/2019	250,000	246,775	(3,225)	98.71
Corporate Obligations	SALLIE MAE BK SLT	1.450%	11/20/2017	250,000	250,083	83	100.03
Corporate Obligations	STATE BK	1.200%	1/25/2018	250,000	250,030	30	100.01
Corporate Obligations	SYNCHRONY BK	1.900%	5/26/2020	250,000	250,413	413	100.17
Corporate Obligations	WELLS FARGO BK	1.750%	6/17/2021	250,000	246,813	(3,188)	98.73
Corporate Obligations	WEX BK MIDVALE	1.800%	6/2/2020	250,000	249,740	(260)	99.90
Government Obligations	FFCB BDS	1.060%	11/9/2018	1,989,000	1,991,220	2,220	99.56
Government Obligations	FFCB BDS	1.340%	10/13/2020	3,000,000	2,949,090	(50,910)	98.30
Government Obligations	FFCB BDS	1.490%	3/30/2020	2,000,000	1,984,460	(15,540)	99.22
Government Obligations	FFCB BDS	1.500%	7/6/2021	2,000,000	1,965,820	(34,180)	98.29
Government Obligations	FFCB BDS	1.520%	11/15/2021	4,500,000	4,405,680	(94,320)	97.90

Nevada Irrigation District

Quarterly Cash & Investment Report (excl External Trustees): September 30, 2017

Investment Type	Issuer	Interest Rate	Maturity Date	Cost Basis	Market Value	Net Unrealized Gain/Loss	Price
Government Obligations	FFCB NT	1.640%	2/10/2021	1,500,000	1,476,015	(23,985)	98.40
Government Obligations	FHLB BDS	1.370%	10/24/2019	147,059	145,549	(1,510)	98.97
Government Obligations	FHLB BDS	1.400%	5/18/2020	1,225,000	1,213,791	(11,209)	99.09
Government Obligations	FHLB BDS	1.600%	11/26/2021	3,477,250	3,435,530	(41,720)	98.16
Government Obligations	FHLB BDS	1.700%	4/28/2020	464,286	462,148	(2,138)	99.54
Government Obligations	FHLB BDS	1.720%	10/28/2020	2,000,000	1,988,240	(11,760)	99.41
Government Obligations	FHLMC MTN	1.600%	8/9/2021	6,000,000	5,841,540	(158,460)	97.36
Government Obligations	FHLMC NTS	1.950%	12/2/2021	1,000,000	990,860	(9,140)	99.09
Government Obligations	FNMA NT	1.400%	11/26/2019	3,000,000	2,975,580	(24,420)	99.19
Government Obligations	FNMA NT	1.500%	5/25/2021	1,996,400	1,958,720	(37,680)	97.94
Government Obligations	FNMA NT	1.500%	7/27/2021	7,000,000	6,867,980	(132,020)	98.11
Government Obligations	FNMA NT	1.550%	7/28/2020	500,000	492,325	(7,675)	98.47
Government Obligations	FNMA NTS	1.500%	8/25/2021	2,000,000	1,941,080	(58,920)	97.05
Government Obligations	FNMA NTS	1.500%	9/29/2021	3,000,000	2,905,740	(94,260)	96.86
Government Obligations	FNMA NTS	1.510%	9/30/2021	4,000,000	3,893,880	(106,120)	97.35
Government Obligations	FNMA NTS	1.750%	5/25/2021	2,000,000	1,982,400	(17,600)	99.12

Total L-Term Investments \$ 59,298,995

S-Term Investments & Checking Account

Corporate Obligations	Union Bank Money Mkt	0.01%	N/A	46,725	46,725	N/A	N/A
Government Obligations	Local Agency IF	0.93%	N/A	14,633,883	14,633,883	N/A	N/A
Checking Account	Wells Fargo Checking	0.27%	N/A	5,571,715	5,571,715	N/A	N/A

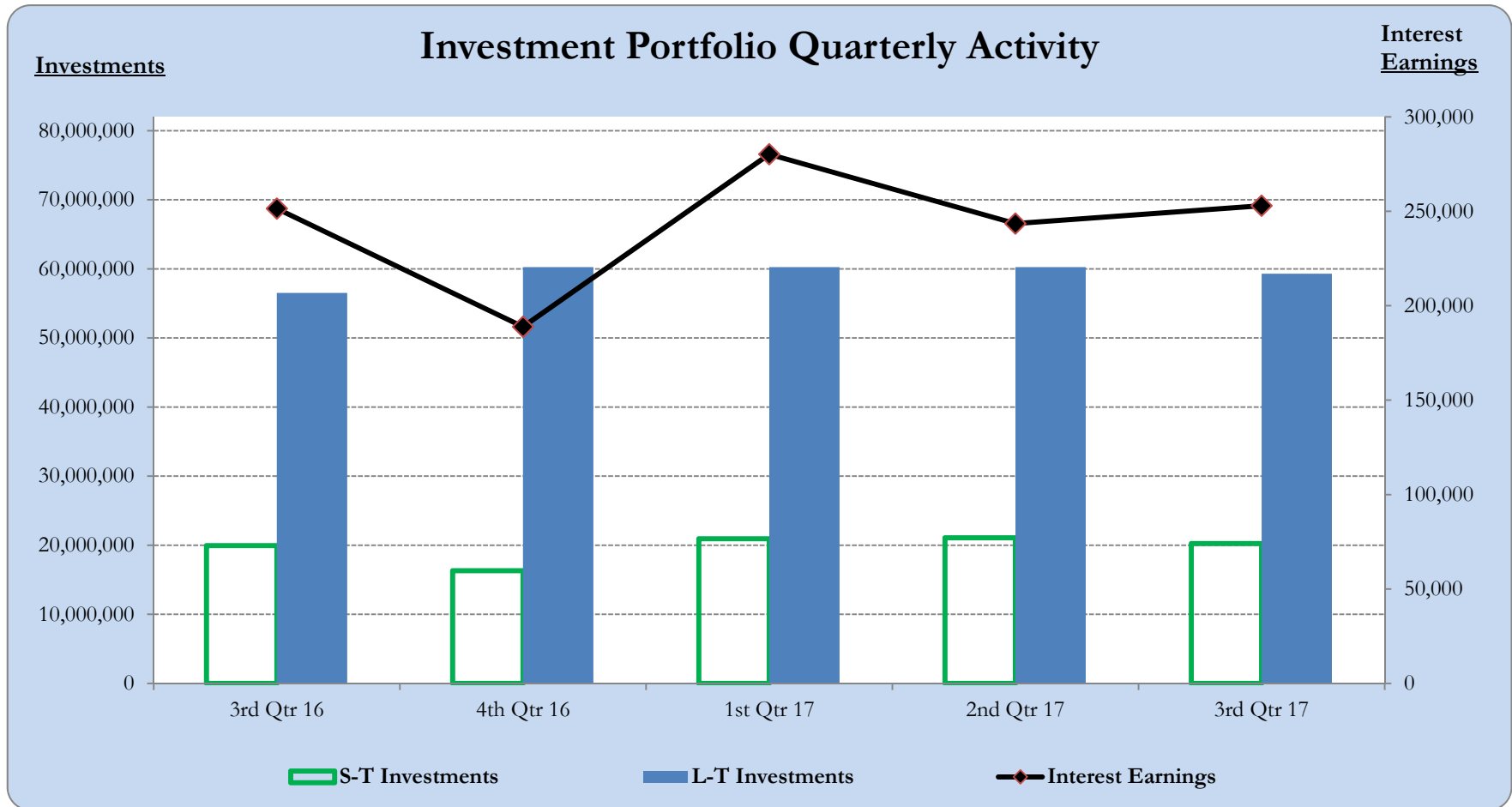
Total S-Term Investments \$ 20,252,323

	YTD Interest
L-Term Investments	657,232
S-Term Investments	119,391
	\$ 776,623

Total Investment \$ 79,551,318

Annualized Return 1.38% excludes Wells Fargo Checking Account

Nevada Irrigation District
 Quarterly Cash & Investment Report (excl External Trustees): September 30, 2017



Nevada Irrigation District

Quarterly Cash & Investment Report (excl External Trustees): September 30, 2017

<u>Maturity</u>	Year	⇨				
Month	2017	2018	2019	2020	2021	Grand Total
Jan		250,000				250,000
Feb		250,000	750,000		1,500,000	2,500,000
Mar				2,000,000		2,000,000
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	250,000	1,989,000	3,000,000		7,977,250	13,216,250
Dec			500,000		1,000,000	1,500,000
Grand Total	250,000	2,489,000	5,897,059	11,439,286	39,223,650	59,298,995
Portfolio %	0.4%	4.2%	9.9%	19.3%	66.1%	100.0%

Nevada Irrigation District

Quarterly Cash & Investment Report: September 30, 2017

	Water	Recreation	Electric	Total Cash
2016 Audited Cash	\$ 52,648,014	\$ 1,024,050	\$ 40,326,536	\$ 93,998,600

2017 Cash Breakdown:

Reserve Policy

Working Capital

Operating Cash	2,188,422	619,136	2,479,017	5,286,575
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Designated

Accrued Leave	2,182,317	71,503	266,995	2,520,815
Operating Reserve	10,154,327	-	19,353,978	29,508,305
Capital Improvement	-	677,455	25,860,154	26,537,609
Community Investment Program	1,500,000	-	-	1,500,000
Insurance and Catastrophic	2,500,000	-	2,500,000	5,000,000
Watershed Stewardship	1,995,249	-	-	1,995,249
Total	18,331,893	748,958	47,981,127	67,061,978

Equal to liability
5.96 mons vs 6 mons
\$0 minimum
\$1.5M
\$5 - 10M
\$500K minimum

Restricted

Debt Service	623,240	-	-	623,240
Capacity Fees	5,715,219	-	-	5,715,219
Total	6,338,459	-	-	6,338,459

Loan Covenants
Capacity Fees

2017 Cash excl 2016A Bond	\$ 26,858,774	\$ 1,368,094	\$ 50,460,144	\$ 78,687,012
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External Trustees: 2016A Bond (Excludes encumbrances)

2017 Cash @ Sep 30th \$ 19,037,958

Specific Projects

2017 Cash Total	\$ 45,896,732	\$ 1,368,094	\$ 50,460,144	\$ 97,724,970
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