

Staff Report

for the Regular Meeting of the Board of Directors April 25, 2018

TO: Board of Directors
FROM: Marvin Davis, MBA, CPA, Finance Manager/Treasurer
DATE: April 18, 2018
SUBJECT: Quarterly Investment, Short-Term Forecast & Reserves

FINANCE

RECOMMENDATION:

Receive and file the quarterly investment, short-term cash forecast and reserve report for the period ending March 31, 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 March 31, 2018 managed by staff, excluding pension and other benefits. First quarter earnings came in at \$296,814 compared to prior year of \$280,202 an increase of \$16,612. Staff feels comfortable with the current maturity ladder holding 51.6% of total cash out to 2021.

Currently, the year-end short-term forecast is \$15.8 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 \$102,543,693, including \$17,895,941 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: March 31, 2018 Investment, Short-term forecast and Reserve Report

Nevada Irrigation District

Quarterly Cash & Investment Report (excl External Trustees): March 31, 2018

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	\$ 245,988	\$ (4,013)	\$98.40
Corporate Obligations	AMERICAN EXP	1.900%	6/1/2020	250,000	245,735	(4,265)	98.29
Corporate Obligations	AMERICAN EXPRESS	2.200%	12/11/2019	250,000	248,265	(1,735)	99.31
Corporate Obligations	BANK BARODA NY Y	1.500%	10/30/2020	250,000	241,628	(8,373)	96.65
Corporate Obligations	BMW BK N A	2.200%	10/16/2020	250,000	247,838	(2,163)	99.14
Corporate Obligations	CAP ONE NATL ASSN	2.200%	10/21/2020	250,000	247,815	(2,185)	99.13
Corporate Obligations	CAPITAL ONE BK	2.200%	10/21/2020	250,000	247,815	(2,185)	99.13
Corporate Obligations	CIT BK SALT LAKE	2.200%	12/10/2019	250,000	249,163	(838)	99.67
Corporate Obligations	COMENTY CAP BK	1.750%	10/29/2021	250,000	239,408	(10,593)	95.76
Corporate Obligations	DISCOVER BK	1.500%	8/17/2021	250,000	240,478	(9,523)	96.19
Corporate Obligations	ENTERPRISE BK	1.250%	2/12/2019	250,000	248,388	(1,613)	99.36
Corporate Obligations	FIRST SVC BK	1.300%	8/12/2019	250,000	246,808	(3,193)	98.72
Corporate Obligations	GOLDMAN SACHS BK	1.900%	5/29/2020	250,000	246,523	(3,478)	98.61
Corporate Obligations	KEY BK NATL	1.350%	2/4/2019	250,000	249,378	(623)	99.75
Corporate Obligations	LANDMARK CMNTY BK	1.350%	2/4/2019	250,000	249,380	(620)	99.75
Corporate Obligations	LIVE OAK BKG CO	1.400%	8/12/2019	250,000	248,625	(1,375)	99.45
Corporate Obligations	LUANA SVGS BK	1.400%	8/2/2019	250,000	247,238	(2,763)	98.90
Corporate Obligations	MARLIN BUS BK	1.150%	4/29/2019	250,000	247,250	(2,750)	98.90
Corporate Obligations	MB FINL BK	1.300%	10/28/2020	250,000	241,608	(8,393)	96.64
Corporate Obligations	MERCHANTS & FMRS	1.200%	10/25/2019	250,000	245,133	(4,868)	98.05
Corporate Obligations	SYNCHRONY BK	1.900%	5/26/2020	250,000	246,553	(3,448)	98.62
Corporate Obligations	WELLS FARGO BK	1.750%	6/17/2021	250,000	241,783	(8,218)	96.71
Corporate Obligations	WEX BK MIDVALE	1.800%	6/2/2020	250,000	245,985	(4,015)	98.39
Government Obligations	FFCB BDS	1.060%	11/9/2018	1,989,000	1,988,260	(740)	99.41
Government Obligations	FFCB BDS	1.340%	10/13/2020	3,000,000	2,908,620	(91,380)	96.95
Government Obligations	FFCB BDS	1.490%	3/30/2020	2,000,000	1,959,940	(40,060)	98.00
Government Obligations	FFCB BDS	1.500%	7/6/2021	2,000,000	1,932,940	(67,060)	96.65
Government Obligations	FFCB BDS	1.520%	11/15/2021	4,500,000	4,339,575	(160,425)	96.44
Government Obligations	FFCB NT	1.640%	2/10/2021	1,500,000	1,452,240	(47,760)	96.82
Government Obligations	FHLB BDS	1.370%	10/24/2019	147,059	144,740	(2,319)	98.42

Nevada Irrigation District

Quarterly Cash & Investment Report (excl External Trustees): March 31, 2018

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	1,200,341	(24,659)	97.99
Government Obligations	FHLB BDS	1.600%	11/26/2021	3,477,250	3,370,955	(106,295)	96.31
Government Obligations	FHLB BDS	1.700%	4/28/2020	464,286	457,314	(6,972)	98.50
Government Obligations	FHLB BDS	1.720%	10/28/2020	2,000,000	1,962,280	(37,720)	98.11
Government Obligations	FHLMC MTN	1.600%	8/9/2021	6,000,000	5,735,880	(264,120)	95.60
Government Obligations	FHLMC NTS	1.950%	12/2/2021	1,000,000	971,520	(28,480)	97.15
Government Obligations	FNMA NT	1.400%	11/26/2019	3,000,000	2,957,670	(42,330)	98.59
Government Obligations	FNMA NT	1.500%	5/25/2021	1,996,400	1,929,400	(67,000)	96.47
Government Obligations	FNMA NT	1.500%	7/27/2021	7,000,000	6,746,320	(253,680)	96.38
Government Obligations	FNMA NT	1.550%	7/28/2020	500,000	490,595	(9,405)	98.12
Government Obligations	FNMA NTS	1.500%	8/25/2021	2,000,000	1,926,240	(73,760)	96.31
Government Obligations	FNMA NTS	1.500%	9/29/2021	3,000,000	2,855,310	(144,690)	95.18
Government Obligations	FNMA NTS	1.510%	9/30/2021	4,000,000	3,841,480	(158,520)	96.04
Government Obligations	FNMA NTS	1.750%	5/25/2021	2,000,000	1,950,500	(49,500)	97.53

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

S-Term Investments & Checking Account

Corporate Obligations	Union Bank Money Mkt	0.01%	3/31/2018	106,842	106,842	N/A	N/A
Local Investment Pool	Local Agency IF	1.38%	3/31/2018	12,704,577	12,704,577	N/A	N/A
Checking Account	Wells Fargo Checking	0.03%	3/31/2018	4,718,880	4,718,880	N/A	N/A

Total S-Term Investments \$ 17,530,299

	YTD Interest
L-Term Investments	251,537
S-Term Investments	45,277
	\$ 296,814

Total Investment \$ 76,079,294

Annualized Return 1.64% excludes Wells Fargo Checking Account

Nevada Irrigation District

Quarterly Cash & Investment Report (excl External Trustees): March 31, 2018

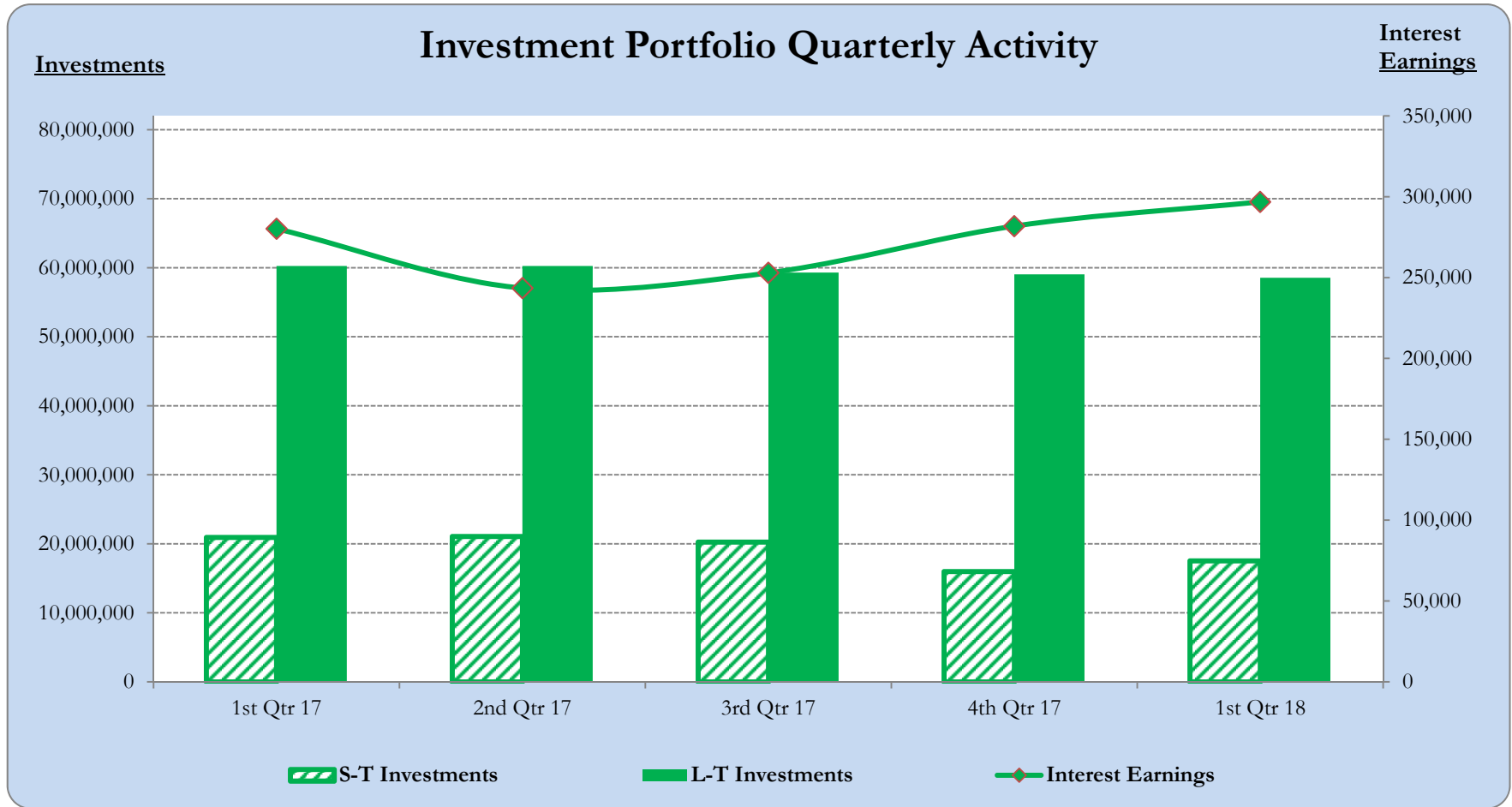
Maturity Year

Short-Term

Month	2018	2018	2019	2020	2021	Grand Total
Jan						-
Feb			750,000		1,500,000	2,250,000
Mar	17,530,299			2,000,000		19,530,299
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	17,530,299	1,989,000	5,897,059	11,439,286	39,223,650	76,079,294
Portfolio %	23.0%	2.6%	7.8%	15.0%	51.6%	100.0%

Nevada Irrigation District

Quarterly Cash & Investment Report (excl External Trustees): March 31, 2018



Nevada Irrigation District

Quarterly Cash & Investment Report: March 31, 2018

		Water	Recreation	Hydroelectric	Total	Policy Amounts
2017 Unaudited Cash		\$ 41,864,874	\$ 1,198,050	\$ 50,226,874	\$ 93,289,798	
Policy 3040						
Restricted						
3040.3.1	Capacity Fees	5,715,219	-	-	5,715,219	\$2M minimum Covenant Driven
3040.3.2	Debt Service	623,240	-	-	623,240	
3040.3.3	Bond/Loan/Fiduciary	17,895,941	-	-	17,895,941	
Restricted Total		24,234,400	-	-	24,234,400	
Designated						
3040.4.1	Operating Reserve	10,334,658	729,995	15,000,000	26,064,653	See below
3040.4.2	Water Rate Stabilization Reserve	-	-	-	-	\$0 minimum
3040.4.3	Community Investment Stabilization Reserve	1,500,000	-	-	1,500,000	\$1.5M
3040.4.4	Capital Improvement/Replacement Reserve	2,500,000	700,000	32,195,811	35,395,811	\$0 minimum
3040.4.5	Insurance and Catastrophic Occurrence Reserve	2,500,000	-	2,500,000	5,000,000	\$5 - 10M
3040.4.6	Watershed Stewardship Reserve	1,995,249	-	-	1,995,249	\$500K minimum
3040.4.7	Accrued Leave Reserve	1,091,159	35,752	133,498	1,260,408	50% liability
Designated Total		19,921,066	1,465,747	49,829,309	71,216,121	
Working Capital						
3040.5.1	Operating Cash	3,592,660	250,000	3,250,514	7,093,173	
Total		47,748,125	1,715,746	53,079,822	102,543,693	
Operating Reserve Policy		17,804,425	1,076,292	6,808,303	25,689,019	6 months Ops Bud
Months		3.48	4.07	13.22	6.09	

Nevada Irrigation District

Short-Term Cash Forecast: Apr 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	-	-	-	
Budget Disbursements		19,827,541	17,949,897	23,151,809	20,569,641	81,498,889
True-Up Disbursement		(1,611,185)	-	-	-	
Transfer Ins/(Outs)		200,000	-	7,700,000	7,700,000	(19,490,867) Budget Rec - Disb
Ending Balance		4,718,874	3,021,344	3,003,205	3,067,533	1,513,940 Interfund, Interest 10,000,000 2016A Cash (7,976,927) Original Budget
<u>LAIF</u>						
2016A Drawdown		-	-	6,000,000	-	(10,636,521) 2017 Enc Rollover
Transfer Ins/(Outs) WF		(200,000)	0	(7,700,000)	(7,700,000)	9,000,000 2018 Est Rollover
Transfer Ins/(Outs) UB		706,138	300,000	2,300,000	6,889,000	(1,636,521) Net Cash Impact
Ending Balance		12,704,576	13,004,576	13,604,576	12,793,576	
Total Short-Term Cash	\$ 17,423,450	\$ 16,025,920	\$ 16,607,781	\$ 15,861,109	\$ 14,224,588	Est with Enc Impact