

Staff Report

for the Regular Meeting of the Board of Directors February 13, 2019

TO: Board of Directors

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

DATE: February 6, 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 December 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 December 31, 2018 managed by staff, excluding pension and other benefits. Fiscal year interest earnings came in at \$1,144,601 compared to prior year of \$1,058,457 an increase of \$86,144. Staff feels comfortable with the current maturity ladder holding 49.8% of this cash out to 2021.

Currently, the 2019 short-term forecast is \$14.2 million and considers the 2018 end of year balance of \$22.2 million, 2019 budget reserve draw of \$12.9 million, long-term investment maturities of \$5.9 million, interest earnings of \$1.3 million and encumbrance activity.

Excluding encumbrances, total unaudited cash under staff's management is \$92.3 million, including \$12.5 million 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: December 31st Investment, Short-term Forecast and Reserve Report

Nevada Irrigation District

Quarterly Cash & Investment Report: December 31, 2018

Short & Long-Term Investments

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	\$ 247,628	\$ (2,373)	\$ 99.05
Corporate Obligations	AMERICAN EXP F/R	1.900%	6/1/2020	250,000	246,443	(3,558)	98.58
Corporate Obligations	AMERICAN EXPRESS	2.200%	12/11/2019	250,000	248,573	(1,428)	99.43
Corporate Obligations	BANK BARODA NY Y	1.500%	10/30/2020	250,000	242,265	(7,735)	96.91
Corporate Obligations	BMW BK N A	2.200%	10/16/2020	250,000	246,783	(3,218)	98.71
Corporate Obligations	CAP ONE NATL ASSN	2.200%	10/21/2020	250,000	246,738	(3,263)	98.70
Corporate Obligations	CAPITAL ONE BK	2.200%	10/21/2020	250,000	246,738	(3,263)	98.70
Corporate Obligations	CIT BK SALT LAKE	2.200%	12/10/2019	250,000	248,835	(1,165)	99.53
Corporate Obligations	COMENITY CAP BK	1.750%	10/29/2021	250,000	238,320	(11,680)	95.33
Corporate Obligations	DISCOVER BK	1.500%	8/17/2021	250,000	239,625	(10,375)	95.85
Corporate Obligations	ENTERPRISE BK	1.250%	2/12/2019	250,000	249,708	(293)	99.88
Corporate Obligations	FIRST SVC BK	1.300%	8/12/2019	250,000	248,040	(1,960)	99.22
Corporate Obligations	GOLDMAN SACHS BK	1.900%	5/29/2020	250,000	246,665	(3,335)	98.67
Corporate Obligations	KEY BK NATL	1.350%	2/4/2019	250,000	249,865	(135)	99.95
Corporate Obligations	LANDMARK CMNTY BK	1.350%	2/4/2019	250,000	249,870	(130)	99.95
Corporate Obligations	LIVE OAK BKG CO	1.400%	8/12/2019	250,000	248,863	(1,138)	99.55
Corporate Obligations	LUANA SVGS BK	1.400%	8/2/2019	250,000	248,273	(1,728)	99.31
Corporate Obligations	MARLIN BUS BK	1.150%	4/29/2019	250,000	248,843	(1,158)	99.54
Corporate Obligations	MB FINL BK	1.300%	10/28/2020	250,000	242,268	(7,733)	96.91
Corporate Obligations	MERCHANTS & FMRS	1.200%	10/25/2019	250,000	246,830	(3,170)	98.73
Corporate Obligations	SYNCHRONY BK	1.900%	5/26/2020	250,000	246,713	(3,288)	98.69
Corporate Obligations	WELLS FARGO BK	1.750%	6/17/2021	250,000	240,965	(9,035)	96.39
Corporate Obligations	WEX BK MIDVALE	1.800%	6/2/2020	250,000	246,300	(3,700)	98.52
Government Obligations	FFCB BDS	1.340%	10/13/2020	3,000,000	2,934,960	(65,040)	97.83
Government Obligations	FFCB BDS	1.490%	3/30/2020	2,000,000	1,970,980	(29,020)	98.55
Government Obligations	FFCB BDS	1.500%	7/6/2021	2,000,000	1,948,260	(51,740)	97.41
Government Obligations	FFCB BDS	1.520%	11/15/2021	4,500,000	4,367,970	(132,030)	97.07
Government Obligations	FFCB NT	1.640%	2/10/2021	1,500,000	1,471,920	(28,080)	98.13
Government Obligations	FHLB BDS	1.370%	10/24/2019	147,059	145,525	(1,534)	98.96

Nevada Irrigation District

Quarterly Cash & Investment Report: December 31, 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	1,205,890	(19,110)	98.44
Government Obligations	FHLB BDS	1.600%	11/26/2021	3,477,250	3,406,760	(70,490)	97.34
Government Obligations	FHLB BDS	1.700%	4/28/2020	464,286	457,238	(7,047)	98.48
Government Obligations	FHLB BDS	1.720%	10/28/2020	2,000,000	1,969,560	(30,440)	98.48
Government Obligations	FHLMC MTN	1.600%	8/9/2021	6,000,000	5,855,940	(144,060)	97.60
Government Obligations	FHLMC NTS	1.950%	12/2/2021	1,000,000	982,850	(17,150)	98.29
Government Obligations	FNMA NT	1.400%	11/26/2019	3,000,000	2,965,980	(34,020)	98.87
Government Obligations	FNMA NT	1.500%	5/25/2021	1,996,400	1,943,540	(52,860)	97.18
Government Obligations	FNMA NT	1.500%	7/27/2021	7,000,000	6,800,360	(199,640)	97.15
Government Obligations	FNMA NT	1.550%	7/28/2020	500,000	491,700	(8,300)	98.34
Government Obligations	FNMA NTS	1.500%	8/25/2021	2,000,000	1,939,680	(60,320)	96.98
Government Obligations	FNMA NTS	1.500%	9/29/2021	3,000,000	2,904,030	(95,970)	96.80
Government Obligations	FNMA NTS	1.510%	9/30/2021	4,000,000	3,873,280	(126,720)	96.83
Government Obligations	FNMA NTS	1.750%	5/25/2021	2,000,000	1,959,780	(40,220)	97.99

Total L-Term Investments \$ 56,559,995

S-Term Investments & Checking Account

Corporate Obligations	Union Bank Money Mkt	0.01%	12/31/2018	25,288	25,288	N/A	N/A
Local Investment Pool	Local Agency IF	1.85%	12/31/2018	20,419,974	20,419,974	N/A	N/A
Checking Account	Wells Fargo Checking	0.03%	12/31/2018	1,747,423	1,747,423	N/A	N/A

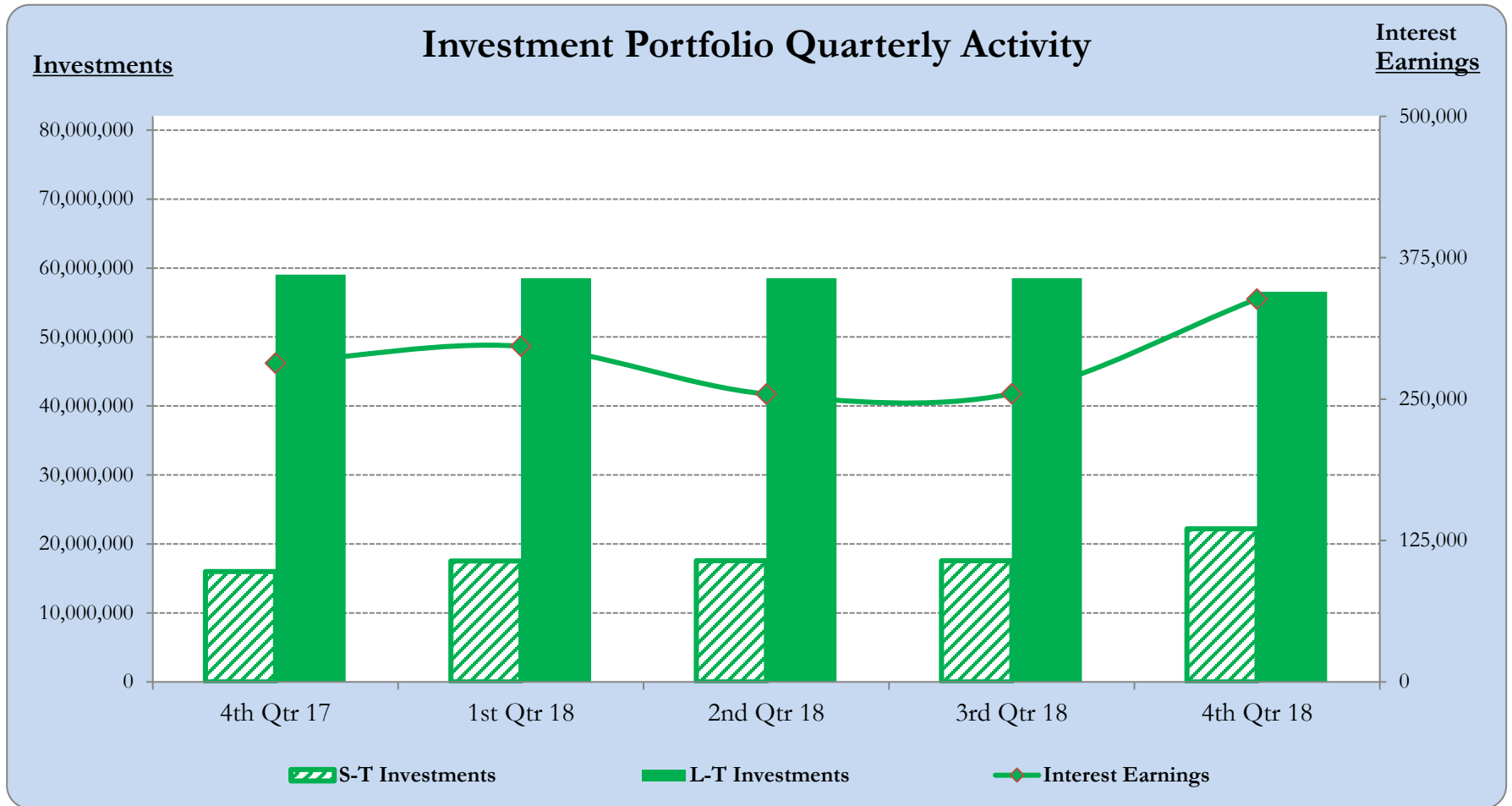
Total S-Term Investments \$ 22,192,685

	YTD Interest
L-Term Investments	900,608
S-Term Investments	243,993
	\$ 1,144,601

Total Investment \$ 78,752,680

Annualized Return 1.47% excludes Wells Fargo Checking Account

Nevada Irrigation District
 Quarterly Cash & Investment Report: December 31, 2018
 Investments & Interest Earnings



Nevada Irrigation District

Quarterly Cash & Investment Report: December 31, 2018

Portfolio Maturity Ladder

Short-Term

Month	2018	2019	2020	2021	Grand Total
Jan					-
Feb		750,000		1,500,000	2,250,000
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		3,000,000		7,977,250	10,977,250
Dec	22,192,685	500,000		1,000,000	23,692,685
Grand Total	22,192,685	5,897,059	11,439,286	39,223,650	78,752,680

Portfolio %	28.2%	7.5%	14.5%	49.8%	100.0%
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Nevada Irrigation District
 Quarterly Cash & Investment Report: December 31, 2018
 Estimated Reserve Balances

	Water	Restricted	Bonds	Recreation	Hydroelectric	Total	Policy Amounts
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2017 Audited Cash	\$ 15,711,671	\$ 7,138,137	\$ 17,706,823	\$ 1,132,707	\$ 49,501,684	\$ 91,191,022	
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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		611,180				611,180	Covenant Driven
3040.3.3	Bond/Loan/Fiduciary			12,522,962			12,522,962	Covenant Driven
	Restricted Total	-	7,138,137	12,522,962	-	-	19,661,099	

	Designated Reserves							
3040.4.1	Operating	5,683,873			168,606	20,573,525	26,426,004	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			400,000	15,000,000	17,900,000	\$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	12,770,281	-	-	604,358	57,107,023	70,481,661	

	Working Capital						
3040.5.1	Operating Cash	1,000,000			250,000	1,000,000	2,250,000

2018 Unaudited Cash	13,770,281	7,138,137	12,522,962	854,358	58,107,023	92,392,761
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Operating Reserve Months	1.92			0.94	16.32	6.00	6 months policy
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Nevada Irrigation District

Short-Term Cash Forecast: Jan 2019 thru Dec 2019

	Actual	Forecast ⇒				
	2018	2019	2019	2019	2019	Reconcile to Budget
	Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	
UB MoneyMkt	25,288					Receipts 65,641,926
Wells Fargo	1,747,423					Disbursements 93,911,704
LAIF	20,419,974					Budget Rec - Disb (28,269,778)
Short-T Cash	\$ 22,192,685					Transfer Ins & Outs 972,518
	<u>Wells Fargo</u>					Interest Income 1,350,000
Budget Receipts		18,364,454	17,181,205	16,371,273	13,724,994	2016A Cash 13,050,000
Budget Disbursements		22,547,683	20,773,356	26,794,206	23,796,459	Original Budget (12,897,260)
LAIF Transfer Ins/(Outs)		4,500,000	3,600,000	10,400,000	10,100,000	
Ending Balance		2,064,195	2,072,043	2,049,110	2,077,645	
<u>Union Bank Money Market</u>		-				
<u>LAIF</u>						
2016A Drawdown		6,525,000	6,525,000	-	-	
Transfer Ins/(Outs) WF		(4,500,000)	(3,600,000)	(10,400,000)	(10,100,000)	
Transfer Ins/(Outs) UB		1,087,500	587,500	1,337,500	4,234,559	
Ending Balance		23,532,474	27,044,974	17,982,474	12,117,033	
Total Short-Term Cash		\$ 25,596,669	\$ 29,117,017	\$ 20,031,584	\$ 14,194,678	

Note: Assumes same level of encumbrances will roll annually