

# Staff Report

## Regular Board Meeting

**TO:** Governing Board Members

**FROM:** General Manager/CEO

**SUBJECT:** Accept and File Investment Report for Quarter Ended September 30, 2025

## RECOMMENDATION

That the Board of Directors accept and file the attached Investment Report for the quarter ended September 30, 2025.

## BACKGROUND / ANALYSIS

California Government Code §53646(b) requires the Treasurer or CFO of a local agency to submit a quarterly report on the agency's investments to the legislative body of the agency within 45 days of the end of each quarter.

The attached Investment Report shows all the District's cash and investments, restricted and unrestricted, as of September 30, 2025. Attachment A presents the investment securities purchased and retired during the quarter July to September 2025. Increases and decreases in highly liquid funds, such as LAIF, are explained in the narrative below.

## Unrestricted Investments

### LAIF

The balance held in the Local Agency Investment Fund (LAIF) at the beginning of the quarter was \$18,627,603. Interest earned during the previous quarter of \$204,139 was posted to the account in July. There was one \$2,000,000 withdrawal from, LAIF during the quarter, leaving a balance at the end of September of \$16,831,742.

LAIF earnings for the quarter ending September 30, 2025, were \$194,297 calculated at an apportionment rate of 4.34%; down from 4.40% which had been in effect for the previous quarter. The earnings were posted to the District's account on October 15, 2025.

### California CLASS

The balance held in the California CLASS at the beginning of the quarter was \$1,002,972. The District made one transfer into California CLASS during the quarter totaling \$2,000,000. Interest earnings during the current quarter of \$14,644 were posted to the account this quarter. The District transfers in and interest deposits received raised the balance to \$3,017,616 which was the balance at the end of the quarter.

U.S. Bank Fixed Income Account

The District's portfolio of investments in securities is held in a custodial account with U.S. Bank as recommended by California Government Code section 53601. Investment manager(s), currently just Citizen's Business Bank Wealth Management, are granted access to the account to direct the reinvestment of proceeds when securities are called, or mature, in accordance with the District's investment policy.

The total (book) value of the assets held in the U.S. Bank custodial account increased from \$16,831,628 to \$16,953,624 during the quarter ended September 30, 2025. The balance in this account is held both in a money market account, \$1,360,166, and in a \$15,593,458 portfolio of Treasury and federal agency securities shown on Attachment A.

There were no transfers into or out of the U.S. Bank account during the quarter. Net interest payments received on securities in the District's portfolio were \$114,608 and funds held in the money market account earned dividends of \$7,941.

Investment manager fees paid during the quarter were \$3,000, and amortization on premiums / accretion of discounts taken at the time of purchase of certain securities, increased the value of the portfolio by \$2,447.

The following schedule summarizes the activity for Unrestricted Investments during the Quarter ended September 30, 2025:

<b>Account</b>	<b>Beg Bal</b>	<b>Deposits/ (Withdrawals)</b>	<b>Posted Earnings</b>	<b>Fees</b>	<b>Disc / Prem Amortization</b>	<b>Ending Balance</b>
LAIF	\$ 18,627,603	\$ (2,000,000)	\$204,139	\$ -	\$ -	\$ 16,831,742
California CLASS	1,002,972	2,000,000	14,644	-	-	3,017,616
US Bank Fixed Inc	16,831,628	-	122,549	(3,000)	2,447	16,953,624

**Restricted Investments**

The District has also engaged U.S. Bank to act as Trustee on behalf of bondholders of the District's Series 2020A and 2020B Refunding Revenue bonds. Initially the accounts were used to distribute bond proceeds, and are now used to receive District deposits, from which the Trustee makes semi-annual payments to the bondholders.

Semi-annual bond payment dates are April 1<sup>st</sup> and October 1<sup>st</sup>. Accordingly, deposits sufficient to cover principal and interest payments on October 1, 2025 were made to the accounts in September 2025. There were no other transactions that affected the account balances, except for nominal interest earnings on the balances that were held briefly in the accounts prior to the interest payments.

Summary Schedule of U.S. Bank Trustee Accounts

The following schedule summarizes activity in the U.S. Bank Trust accounts for the Quarter ended September 30, 2025:

<b>2020A Accounts</b>	<b>Beg Bal</b>	<b>District Deposits</b>	<b>Earnings</b>	<b>Transfers</b>	<b>Withdrawals/ Payments</b>	<b>Ending Balance</b>
Payment Fd	\$ -	\$ 429,287	\$ -	\$ -	\$ -	\$ 429,287
Interest Acct	14,320	-	136	-	-	14,456
Principal Acct	-	-	-	-	-	-

<b>2020B Accounts</b>	<b>Beg Bal</b>	<b>District Deposits</b>	<b>Earnings</b>	<b>Transfers</b>	<b>Withdrawals/ Payments</b>	<b>Ending Balance</b>
Payment Fd	\$ -	\$ 950,000	\$ -	\$ -	\$ -	\$ 950,000
Interest Acct	-	-	-	-	-	-
Principal Acct	-	-	-	-	-	-

**DISTRICT PILLARS AND STRATEGIES**

II - Sustainability, Transparency, and Accountability

a. Uphold Transparent and Accountable Fiscal and Resource Management

**REVIEW BY OTHERS**

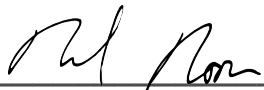
This agenda item has been reviewed by the Finance Department.

**FISCAL IMPACT**

There is no fiscal impact associated with this agenda item.

Recommended by:

Respectfully submitted:



Michael Moore  
General Manager/CEO



Brian Tompkins  
Chief Financial Officer

**ATTACHMENTS**

Investment Report for the Quarter Ended September 2025

Attachment A-US Bank Investment Activity for Quarter Ended September 2025

**EAST VALLEY WATER DISTRICT  
INVESTMENT REPORT  
QUARTER ENDED  
SEPTEMBER 30, 2025**

		<b>Funds Managed By</b>	<b>Purchase Date</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Face Value</b>	<b>Book Value</b>	<b>Market Value</b>	<b>Source of Valuation</b>
<b>Funds Held by EVWD</b>									
Cashiers change fund		District	N/A	N/A	N/A	900.00	900.00	900.00	N/A
Petty Cash / Kiosk Cash		District	N/A	N/A	N/A	4,500.00	4,500.00	4,500.00	N/A
Checking account	Citizens Business Bank	District	N/A	N/A	N/A	5,724,039.58	5,724,039.58	5,724,039.58	N/A
<b>Funds Held by EVWD Under Management of an Outside Party</b>									
<b>Local Agency Investment Fund - Undesignated</b>		State of California	N/A	N/A	4.340%	16,831,742.08	16,831,742.08	16,831,742.08	LAIF
<b>California CLASS - Undesignated</b>		State of California	N/A	N/A	4.314%	3,017,615.94	3,017,615.94	3,017,615.94	Ca. CLASS
<b>US Bank Custodial Account</b>									
US Treasury / Agency Bonds		US Bank		See Attached		16,200,000.00	15,593,458.36	15,597,841.50	Interactive Data
Money Market Acct	First American US Treasury MM	US Bank	N/A	N/A	3.833%	1,360,165.91	1,360,165.91	1,360,165.91	N/A
<b>US Bank (2020A Refunding Revenue Bond Trustee)</b>									
Principal Account	First American US Treasury MM	US Bank	N/A	N/A	3.833%	575,000.00	575,000.00	575,000.00	US Bank
Interest Account	First American US Treasury MM	US Bank	N/A	N/A	3.833%	284,131.48	284,131.48	284,131.48	US Bank
<b>US Bank (2020B Refunding Revenue Bond Trustee)</b>									
Principal Account	First American US Treasury MM	US Bank	N/A	N/A	3.833%	375,000.00	375,000.00	375,000.00	US Bank
Interest Account	First American US Treasury MM	US Bank	N/A	N/A	3.833%	159,612.00	159,612.00	159,612.00	US Bank
<b>Total Cash and Investments</b>						<u>44,532,706.99</u>	<u>43,926,165.35</u>	<u>43,930,548.49</u>	

<b>SUMMARY</b>	<b>Book Value</b>	<b>Market Value</b>	<b>%</b>
Cash	5,729,439.58	5,729,439.58	13.04%
LAIF	16,831,742.08	16,831,742.08	38.31%
Ca. CLASS	3,017,615.94	3,017,615.94	6.87%
Treasury/Agency Securities	15,593,458.36	15,597,841.50	35.51%
Money Market Treasury Funds	2,753,909.39	2,753,909.39	6.27%
<b>Total Cash and Investments</b>	<u>43,926,165.35</u>	<u>43,930,548.49</u>	<u>100.00%</u>
Less: Funds designated for Bond debt service	(1,393,743.48)	(1,393,743.48)	-3.17%
Less: Restricted Capacity Fees	(10,660,324.68)	(10,660,324.68)	-24.27%
Less: Customer Deposits	(1,549,857.65)	(1,549,857.65)	-3.53%
<b>Total Unrestricted / Undesignated Cash and Investments</b>	<u>30,322,239.54</u>	<u>30,326,622.68</u>	<u>69.03%</u>

*I certify that this report accurately reflects all pooled investments and is in compliance with California Government Code Sec. 53646 as amended 1/1/96. This report is also in conformity with the investment policy of East Valley Water District. As Treasurer of East Valley Water District, I hereby certify that sufficient investment liquidity and anticipated revenue are available to meet the next six month's estimated expenditures.*

  
 Signature

10/30/2025  
 Date

**EAST VALLEY WATER DISTRICT**  
**Investment Activity**  
**Month Ended September 30, 2025**

Purch Date	Issuer	CUSIP	Yield	Units / Face Value	Maturity Date	Total	Amort Cost Adjustment	Adjusted Cost 7/1/2025	Purchases	Matured / Called	Total	Adjusted Cost 9/30/2025		Reclamation	Market Value	Water		
												Water	Sewer					
10/18/21	US Treasury Note	91282CAZ4	0.375%	500,000	11/30/25	499,186.05	491.44	499,677.49			499,677.49	499,677.49			496,955.00	496,955.00		
03/31/21	US Treasury Note (UST0026A	91282CBT7	0.750%	500,000	03/31/26	499,204.44	266.24	499,470.68			499,470.68	499,470.68			492,410.00	492,410.00		
12/08/23	US Treasury Note	91282CJL6	4.875%	500,000	11/30/25	500,252.89	(199.04)	500,053.85			500,053.85	500,053.85			500,585.00	500,585.00		
12/26/23	US Treasury Note	91282CJS1	4.250%	500,000	12/31/25	499,913.24		499,913.24			499,913.24	499,913.24			500,350.00	500,350.00		
12/27/23	US Treasury Note (UST 4326	91282CJP7	4.375%	600,000	12/15/26	603,313.62	(581.20)	602,732.42			602,732.42	602,732.42			604,686.00	604,686.00		
04/22/24	US Treasury Note	91282CJC6	4.625%	200,000	10/15/26	199,410.68	119.04	199,529.72			199,529.72	199,529.72			201,850.00	201,850.00		
04/05/24	US Treasury Note	91282CKH3	4.500%	500,000	03/31/26	499,239.52	272.79	499,512.31			499,512.31		499,512.31		501,600.00			
04/10/24	US Treasury Note	91282CJE2	5.000%	400,000	10/31/25	399,940.85	15.30	399,956.15			399,956.15	399,956.15			400,252.00	400,252.00		
4/10 & 4/11	US Treasury Note	91282CKJ9	4.500%	800,000	04/15/27	796,531.59	499.26	797,030.85			797,030.85	797,030.85			809,872.00	809,872.00		
09/23/24	US Treasury Note	91282CLL3	3.375%	500,000	09/15/27	498,916.84	128.81	499,045.65			499,045.65	499,045.65			497,695.00	497,695.00		
02/13/25	US Treasury Note UST4228	91282CMN8	4.125%	200,000	02/15/28	199,633.56	32.53	199,666.09			199,666.09	199,666.09			202,836.00	202,836.00		
05/15/25	US Treasury Note UST3728	91282CND9	3.625%	200,000	05/15/28	299,495.77	41.18	299,536.95			299,536.95	299,536.95			300,960.00	300,960.00		
07/30/20	FHLMC MTN	3134HAGV9	4.000%	500,000	08/27/27	497,339.51	300.30	497,639.81			497,639.81	497,639.81			498,985.00	498,985.00		
08/05/20	FHLMC MTN	3134GWMY9	0.625%	100,000	08/19/25	100,000.00		100,000.00		100,000.00	-	-			-	-		
04/14/25	FHLMC MTN	3134HBKC4	4.150%	100,000	04/17/28	500,000.00		500,000.00			500,000.00	500,000.00			500,555.00	500,555.00		
05/07/25	FHLMC MTN	3134HBND9	4.520%	300,000	11/07/28	300,000.00		300,000.00			300,000.00	300,000.00			299,739.00	299,739.00		
09/24/24	Federal Home Loan Bank	3130B2UW3	4.000%	500,000	06/10/27	500,000.00		500,000.00		500,000.00	-	-			-	-		
08/30/24	Federal Home Loan Bank	3130B2KW4	4.375%	400,000	08/27/27	399,964.24	35.76	400,000.00		400,000.00	-	-			-	-		
09/23/21	Federal Home Loan Bank	3130APAZ8	1.030%	200,000	09/30/26	200,000.00		200,000.00			200,000.00		200,000.00		194,820.00			
03/25/21	Federal Home Loan Bank	3130ALUF9	1.000%	300,000	03/30/26	300,000.00		300,000.00			300,000.00	300,000.00			295,752.00	295,752.00		
09/17/21	Federal Home Loan Bank	3130AP6M2	1.020%	400,000	09/30/26	400,000.00		400,000.00			400,000.00	400,000.00			389,632.00	389,632.00		
10/25/24	Federal Home Loan Bank	3130B3G72	4.250%	300,000	10/22/27	300,000.00		300,000.00			300,000.00	300,000.00			300,399.00	300,399.00		
10/30/24	Federal Home Loan Bank	3130B3JC8	4.310%	200,000	10/20/27	200,000.00		200,000.00			200,000.00	200,000.00			200,354.00	200,354.00		
10/15/21	Federal Home Loan Bank	3130AKC95	0.550%	200,000	10/29/25	199,821.08	136.20	199,957.28			199,957.28		199,957.28		199,444.00			
10/15/21	Federal Home Loan Bank	3130APJ55	1.250%	300,000	10/26/26	299,998.93		299,998.93			299,998.93		299,998.93		292,440.00			
04/10/24	Federal Home Loan Bank	3130B0UO0	5.000%	500,000	04/15/27	500,000.00		500,000.00			500,000.00	500,000.00			501,765.00	501,765.00		
04/22/24	Federal Home Loan Bank	3130B13F2	4.910%	450,000	11/27/26	450,245.14	(54.12)	450,191.02			450,191.02	450,191.02			455,949.00	455,949.00		
11/17/21	Federal Farm Credit Bank	3133ENEM8	1.430%	200,000	11/23/26	200,000.00		200,000.00			200,000.00	200,000.00			194,922.00	194,922.00		
12/20/24	Federal Home Loan Bank	3130B45M9	4.550%	300,000	09/12/28	299,107.72	892.28	300,000.00		300,000.00	-	-			-	-		
01/27/25	Federal Home Loan Bank	3130B4R52	4.500%	500,000	10/27/28	500,000.00		500,000.00			500,000.00	500,000.00			503,400.00	503,400.00		
01/24/25	Federal Home Loan Bank	3130B4SN2	4.500%	500,000	07/28/28	500,000.00		500,000.00			500,000.00		500,000.00		503,090.00			
02/18/25	Federal Home Loan Bank	3130B54T2	4.550%	200,000	08/18/27	200,000.00		200,000.00			200,000.00	200,000.00			200,386.00	200,386.00		
02/21/25	Federal Home Loan Bank	3130B4YG0	4.550%	200,000	08/14/29	199,696.13	49.84	199,745.97			199,745.97	199,745.97			200,952.00	200,952.00		
12/18/24	Federal Home Loan Bank	3130B4BW0	4.500%	500,000	06/12/28	500,000.00		500,000.00			500,000.00	500,000.00			501,590.00	501,590.00		
03/26/25	Federal Home Loan Bank	3130B5QY7	4.520%	500,000	09/24/27	500,000.00		500,000.00		500,000.00	-	-			-	-		
04/16/25	Federal Home Loan Bank	3130B5XT0	4.050%	300,000	10/21/27	300,000.00		300,000.00			300,000.00	300,000.00			299,448.00	299,448.00		
05/08/25	Federal Home Loan Bank	3130B6CN4	4.125%	200,000	05/03/30	200,000.00		200,000.00			200,000.00	200,000.00			199,540.00	199,540.00		
05/22/25	Federal Home Loan Bank	3130B6JZ0	4.250%	300,000	05/21/25	300,000.00		300,000.00			300,000.00	300,000.00			300,186.00	300,186.00		
06/26/25	Federal Home Loan Bank	3130B6VG8	4.100%	300,000	06/26/28	300,000.00		300,000.00			300,000.00	300,000.00			301,656.00	301,656.00		
07/31/25	Federal Home Loan Bank	3130B72H6	4.300%	500,000	07/15/30	-		-	500,000.00		500,000.00	500,000.00			502,675.00	502,675.00		
09/25/25	Federal Home Loan Bank	3130B7WY6	3.900%		10/02/29				200,000.00		200,000.00		200,000.00		199,748.00	199,748.00		
09/24/25	Federal Home Loan Bank	3130B7WD2	3.930%		11/30/26				500,000.00		500,000.00	500,000.00			499,940.00	499,940.00		
01/16/25	FNMA	3136GASM7	4.550%	300,000	01/13/28	299,944.95		299,944.95			299,944.95	299,944.95			299,793.00	299,793.00		
12/20/24	FHLMC MTN	3134HAS61	4.500%	400,000	12/17/27	399,960.00		399,960.00			399,960.00	399,960.00			400,280.00	400,280.00		
03/31/25	FHLMC MTN	3134HBGK1	4.175%	500,000	04/01/27	500,000.00		500,000.00			500,000.00	500,000.00			500,655.00	500,655.00		
08/29/25	FHLMC MTN	3136GAPH6	4.065%	350,000	08/27/30	-		-	349,895.00		349,895.00	349,895.00			349,695.50	349,695.50		
						<u>16,200,000.00</u>		<u>15,841,116.75</u>	<u>2,446.61</u>	<u>15,843,563.36</u>	<u>1,549,895.00</u>	<u>1,800,000.00</u>	<u>15,593,458.36</u>	<u>13,693,989.84</u>	<u>1,899,468.52</u>	<u>-</u>	<u>15,597,841.50</u>	<u>13,906,447.50</u>