
Staff Report

Regular Board Meeting with Closed Session

TO: Governing Board Members

FROM: General Manager/CEO

SUBJECT: Accept and File Investment Report for Quarter Ended December 31, 2025

RECOMMENDATION

That the Board of Directors accept and file the attached Investment Report for the quarter ended December 31, 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 December 31, 2025. Attachment A presents the investment securities purchased and retired during the quarter October to December 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 \$16,831,742. Interest earned during the previous quarter of \$194,297 was posted to the account in October. There was one \$7,000,000 deposit to and one \$5,000,000 withdrawal from LAIF during the quarter, leaving a balance at the end of December of \$19,026,039.

LAIF earnings for the quarter ending December 31, 2025, were \$198,199 calculated at an apportionment rate of 4.2%; down from 4.34% which had been in effect for the previous quarter. The earnings were posted to the District's account on January 15, 2026.

California CLASS

The balance held in the California CLASS at the beginning of the quarter was \$3,017,616. The District made one transfer into California CLASS during the quarter to establish the debt service reserve for the SNRC loan totaling \$770,000. Interest earnings during the current quarter of \$35,116 were posted to the account this quarter. The District transfers in and interest deposits received raised the balance to \$3,822,732, 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 \$16,953,624 to \$17,147,231 during the quarter ended December 31, 2025. The balance in this account is held both in a money market account, \$1,553,579, and in a \$15,593,652 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 \$186,470 and funds held in the money market account earned dividends of \$8,855.

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 \$1,282.

The following schedule summarizes the activity for Unrestricted Investments during the Quarter ended December 31, 2025:

<u>Account</u>	<u>Beg Bal</u>	<u>Deposits/ (Withdrawals)</u>	<u>Posted Earnings</u>	<u>Fees</u>	<u>Disc / Prem Amortization</u>	<u>Ending Balance</u>
LAIF	\$ 16,831,742	\$ 2,000,000	\$194,297	\$ -	\$ -	\$ 19,026,039
California CLASS	3,017,616	770,000	35,116	-	-	3,822,732
US Bank Fixed Inc	16,953,624	-	195,325	(3,000)	1,282	17,147,231

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 1st and October 1st. Accordingly, the District held funds with the trustee for the October 1, 2024 payment. Those funds were transferred by the trustee to the principal and interest accounts, from which payments were made to bondholders. Nominal interest earnings were added to the interest account between October and December, leaving a balance of \$15,534 at December 31, 2025. There were no other transactions that affected the account balances.

Summary Schedule of U.S. Bank Trustee Accounts

The following schedule summarizes activity in the U.S. Bank Trust accounts for the Quarter ended December 31, 2025:

2020A Accounts	Beg Bal	District Deposits	Earnings	Transfers	Withdrawals/ Payments	Ending Balance
Payment Fd	\$ 429,287	\$ -	\$ -	\$ -	\$ (429,287)	\$ -
Interest Acct	14,457	650	427	-	-	15,534
Principal Acct	-	-	-	-	-	-

2020B Accounts	Beg Bal	District Deposits	Earnings	Transfers	Withdrawals/ Payments	Ending Balance
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

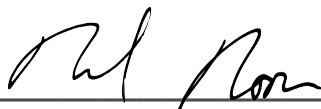
This agenda item has been reviewed by the Finance Department.

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 Quarter Ended Dec 2025
- Attachment A-US Bank Investment Activity Quarter Ended Dec 2025

**EAST VALLEY WATER DISTRICT
INVESTMENT REPORT
QUARTER ENDED
DECEMBER 31, 2025**

	Funds Managed By	Purchase Date	Maturity Date	Interest Rate	Face Value	Book Value	Market Value	Source of Valuation
Funds Held by EVWD								
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	N/A	N/A	N/A	25,653,315.43	25,653,315.43	25,653,315.43	N/A
Funds Held by EVWD Under Management of an Outside Party								
Local Agency Investment Fund - Undesignated	State of California	N/A	N/A	4.200%	19,026,038.98	19,026,038.98	19,026,038.98	LAIF
California CLASS (JPA)								
Undesignated	Public Trust Advisors	N/A	N/A	4.035%	3,048,407.39	3,048,407.39	3,048,407.39	Ca. CLASS
Restricted Debt Reserve - SNRC	Public Trust Advisors	N/A	N/A	4.035%	774,325.10	774,325.10	774,325.10	Ca. CLASS
US Bank Custodial Account								
US Treasury / Agency Bonds	US Bank		See Attached		15,200,000.00	15,593,652.12	15,610,116.50	ICE
Money Market Acct	First American US Treasury MM	N/A	N/A	3.517%	1,553,579.47	1,553,579.47	1,553,579.47	ICE
US Bank (2020A Refunding Revenue Bond Trustee)								
Principal Account	First American US Treasury MM	N/A	N/A	3.517%	-	-	-	ICE
Interest Account	First American US Treasury MM	N/A	N/A	3.517%	15,533.62	15,533.62	15,533.62	ICE
US Bank (2020B Refunding Revenue Bond Trustee)								
Principal Account	First American US Treasury MM	N/A	N/A	3.517%	-	-	-	ICE
Interest Account	First American US Treasury MM	N/A	N/A	3.517%	-	-	-	ICE
Total Cash and Investments					<u>65,276,599.99</u>	<u>65,670,252.11</u>	<u>65,686,716.49</u>	

SUMMARY	Book Value	Market Value	%
Cash	25,658,715.43	25,658,715.43	39.06%
LAIF	19,026,038.98	19,026,038.98	28.96%
Ca. CLASS	3,822,732.49	3,822,732.49	5.82%
Treasury/Agency Securities	15,593,652.12	15,610,116.50	23.76%
Money Market Treasury Funds	1,569,113.09	1,569,113.09	2.39%
Total Cash and Investments	<u>65,670,252.11</u>	<u>65,686,716.49</u>	<u>99.99%</u>
Less: Funds designated for Bond debt service	(789,858.72)	(789,858.72)	-1.20%
Less: Restricted Capacity Fees	(14,699,217.43)	(14,699,217.43)	-22.38%
Less: Customer Deposits	(1,582,042.29)	(1,582,042.29)	-2.41%
Total Unrestricted / Undesignated Cash and Investments	<u>48,599,133.67</u>	<u>48,615,598.05</u>	<u>74.00%</u>

ICE - Intercontinental Exchange

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.


January 28, 2026
 Signature Date

EAST VALLEY WATER DISTRICT
Investment Activity
Quarter Ended December 31, 2025

Purch Date	Issuer	CUSIP	Yield	Units / Face Value	Maturity Date	Total	Amort Cost Adjustment	Adjusted Cost 10/1/2025	Purchases	Matured / Called	Total	Adjusted Cost 10/31/2025			Market Value
												Water	Sewer	Reclamation	
10/18/21	US Treasury Note	91282CAZ4	0.375%	-	11/30/25	499,677.49	322.51	500,000.00		500,000.00	-	-	-	-	-
03/31/21	US Treasury Note (UST0026A)	91282CBT7	0.750%	500,000	03/31/26	499,470.68	266.19	499,736.87			499,736.87	499,736.87			496,710.00
12/08/23	US Treasury Note	91282CJL6	4.875%	-	11/30/25	500,053.85	(53.85)	500,000.00		500,000.00	-	-	-	-	-
12/26/23	US Treasury Note	91282CJS1	4.250%	-	12/31/25	499,913.24	86.76	500,000.00		500,000.00	-	-	-	-	-
12/27/23	US Treasury Note (UST4326)	91282CJP7	4.375%	600,000	12/15/26	602,732.42	(545.98)	602,186.44			602,186.44	602,186.44			604,704.00
04/22/24	US Treasury Note	91282CJC6	4.625%	200,000	10/15/26	199,529.72	101.65	199,631.37			199,631.37	199,631.37			201,612.00
04/05/24	US Treasury Note	91282CKH3	4.500%	500,000	03/31/26	499,512.31	180.46	499,692.77			499,692.77		499,692.77		501,055.00
04/10/24	US Treasury Note (UST5025A)	91282CJE2	5.000%	-	10/31/25	399,956.15	43.85	400,000.00		400,000.00	-	-	-	-	-
4/10 & 4/11	US Treasury Note	91282CKJ9	4.500%	800,000	04/15/27	797,030.85	433.71	797,464.56			797,464.56	797,464.56			809,848.00
09/23/24	US Treasury Note	91282CLL3	3.375%	500,000	09/15/27	499,045.65	108.01	499,153.66			499,153.66	499,153.66			499,080.00
02/13/25	US Treasury Note UST4228	91282CMN8	4.125%	200,000	02/15/28	199,666.09	32.97	199,699.06			199,699.06	199,699.06			203,054.00
05/15/25	US Treasury Note UST3728	91282CND9	3.625%	200,000	05/15/28	299,536.95	41.29	299,578.24			299,578.24	299,578.24			301,629.00
10/31/25	US Treasury Note UST3630	91282CPD7	3.625%	400,000	05/15/28	-	-	-	399,875.00		399,875.00		399,875.00		398,312.00
10/31/25	US Treasury Note 91282CMA6		4.125%	300,000	05/15/28	-	(392.98)	(392.98)	713,640.62		713,247.64	713,247.64			712,089.00
11/26/25	US Treasury Note 91282CPN5		3.625%	400,000	11/30/30	-	16.45	-	398,343.75		398,360.20	398,360.20			395,968.00
12/18/25	US Treasury Note 91282CPN5		3.625%	400,000	11/30/30	-	10.87	10.87	198,187.50		198,198.37	198,198.37			197,984.00
12/08/25	US Treasury Note 91282CFC0		2.625%	400,000	11/30/30	-	171.68	171.68	289,898.44		290,070.12	290,070.12			290,133.00
12/15/25	US Treasury Note 91282CPP0		3.500%	400,000	11/30/30	-	7.45	7.45	598,966.23		598,973.68	598,973.68			599,298.00
07/30/20	FHLMC MTN	3134HAGV9	4.000%	500,000	08/27/27	497,639.81		497,930.22			497,930.22	497,930.22			499,600.00
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			500,230.00
05/07/25	FHLMC MTN	3134HBND9	4.520%	-	11/07/28	300,000.00		300,000.00		300,000.00	-	-	-	-	-
09/23/21	Federal Home Loan Bank	3130APA28	1.030%	200,000	09/30/26	200,000.00		200,000.00			200,000.00		200,000.00		196,208.00
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			298,131.00
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			392,460.00
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			300,318.00
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			200,288.00
10/15/21	Federal Home Loan Bank	3130AKC95	0.550%	-	10/29/25	199,957.28	42.72	200,000.00		200,000.00	-	-	-	-	-
10/15/21	Federal Home Loan Bank	3130APJ55	1.250%	300,000	10/26/26	299,998.93	0.31	299,999.24			299,999.24		299,999.24		294,390.00
04/10/24	Federal Home Loan Bank	3130B0UQ0	5.000%	500,000	04/15/27	500,000.00		500,000.00			500,000.00	500,000.00			501,240.00
04/22/24	Federal Home Loan Bank	3130B13F2	4.910%	450,000	11/27/26	450,191.02	(38.26)	450,152.76			450,152.76	450,152.76			455,188.50
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			196,264.00
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			504,270.00
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		502,370.00
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			200,134.00
02/21/25	Federal Home Loan Bank	3130B4YG0	4.550%	200,000	08/14/29	199,745.97	69.67	199,815.64			199,815.64	199,815.64			200,824.00
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			501,795.00
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			300,114.00
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			199,936.00
05/22/25	Federal Home Loan Bank	3130B6J20	4.250%	300,000	11/22/27	300,000.00		300,000.00			300,000.00	300,000.00			300,522.00
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			301,227.00
07/31/25	Federal Home Loan Bank	3130B72H6	4.300%	500,000	07/15/30	500,000.00		500,000.00			500,000.00	500,000.00			502,150.00
09/25/25	Federal Home Loan Bank	3130B7WY6	3.900%	200,000	10/02/29	200,000.00		200,000.00			200,000.00	200,000.00			200,032.00
09/24/25	Federal Home Loan Bank	3130B7WD2	3.930%	-	11/30/26	500,000.00		500,000.00		500,000.00	-	-	-	-	-
10/02/25	Federal Home Loan Bank	3130B7WX8	3.800%	700,000	10/02/28	-		-	700,000.00		700,000.00	700,000.00			700,567.00
01/16/25	FNMA	3136GA5M7	4.550%	300,000	01/13/28	299,944.95	25.97	299,970.92			299,970.92	299,970.92			300,084.00
12/20/24	FHLMC MTN	3134HAS61	4.500%	-	12/17/27	399,960.00	40.00	400,000.00		400,000.00	-	-	-	-	-
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			500,095.00
08/29/25	FHLMC MTN	3136GAPH6	4.065%	350,000	08/27/30	349,895.00	20.36	349,915.36			349,915.36		349,915.36		350,203.00
				15,200,000.00		15,593,458.36	1,282.22	15,594,724.13	3,298,911.54	3,300,000.00	15,593,652.12	13,344,169.75	2,249,482.37	-	15,610,116.50