



**BOARD OF DIRECTORS
EAST BAY MUNICIPAL UTILITY DISTRICT**

375 - 11th Street, Oakland, CA 94607


Office of the Secretary: (510) 287-0440

Notice of Time Change

**FINANCE/ADMINISTRATION
COMMITTEE MEETING
Tuesday, April 24, 2018
9:45 a.m.**

Notice is hereby given that the Finance/Administration Committee Meeting of the Board of Directors has been rescheduled from 10:00 a.m. to 9:45 a.m. The meeting will be held in the Training Resource Center of the Administration Building, 375 - 11th Street, Oakland, California.

Dated: April 19, 2018


Rischa S. Cole
Secretary of the District



**BOARD OF DIRECTORS
EAST BAY MUNICIPAL UTILITY DISTRICT**

375 – 11th Street, Oakland, CA 94607

Office of the Secretary: (510) 287-0440

**AGENDA
Finance/Administration Committee
Tuesday, April 24, 2018
9:45 a.m.
Training Resource Center**

(Committee Members: Directors Patterson {Chair}, Coleman and Mellon)

ROLL CALL:

PUBLIC COMMENT: The Board of Directors is limited by State law to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to items that are not listed on the agenda.

DETERMINATION AND DISCUSSION:

1. Quarterly Financial Reports: (Klein)
 - Quarterly Payroll, Disbursement and Real Estate Summary Reports for the Water and Wastewater Systems for Quarter Ended March 31, 2018
 - Quarterly Investment Report – March 31, 2018
2. Monthly Investment Transactions Reports (Klein)
3. Investment Policy Annual Review (Klein)
4. Liquidity Facility Contract Extension (Klein)
5. Wastewater Cost of Service Study (White)

ADJOURNMENT:

Disability Notice

If you require a disability-related modification or accommodation to participate in an EBMUD public meeting please call the Office of the Secretary (510) 287-0404. We will make reasonable arrangements to ensure accessibility. Some special equipment arrangements may require 48 hours advance notice.

Document Availability

Materials related to an item on this Agenda that have been submitted to the EBMUD Board of Directors within 72 hours prior to this meeting are available for public inspection in EBMUD's Office of the Secretary at 375 11th Street, Oakland, California, during normal business hours, and can be viewed on our website at www.ebmud.com.

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: April 19, 2018

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager *ARC*

FROM: Sophia D. Skoda, Director of Finance *SDS*

SUBJECT: Quarterly Payroll, Disbursement and Real Estate Summary Reports for the Water and Wastewater Systems for Quarter Ended March 31, 2018

SUMMARY

File the March 31, 2018 quarterly payroll, disbursement and real estate reports for the Water and Wastewater Systems with the Board. These reports will be reviewed with the Finance/Administration Committee on April 24, 2018.

DISCUSSION

As directed by Resolution Nos. 32834-94 and 32837-94, attached is a record of the payment of demands and real estate transactions covering the quarter January through March 2018. The disposed properties were sold and leased at fair price.

DSK:lc

Attachments

I:\Sec\2018 Board Related Items\Committees 2018\042418 Finance Ctte\FIN - Ctte Item Qtrly Payroll Disbursement, Real Estate Summ Rpts 042418.doc

**EAST BAY MUNICIPAL UTILITY DISTRICT
FIRST FISCAL QUARTERLY PAYROLL AND DISBURSEMENT SUMMARY REPORT**

**PAYROLL SUMMARY
(RESOLUTION NO. 32834-94)**


	January 2018		February 2018		March 2018*		QUARTERLY TOTALS	
<i>District Payments</i>	WSG	WWG	WSG	WWG	WSG	WWG	WSG	WWG
Gross Pay	\$ 13,859,933	\$ 2,333,605	\$ 12,941,001	\$ 2,184,704	\$ 19,292,579	\$ 3,388,270	\$ 46,093,512	\$ 7,906,580
Retirement	\$ 4,991,553	\$ 851,414	\$ 4,979,126	\$ 859,654	\$ 7,461,308	\$ 1,323,757	\$ 17,431,987	\$ 3,034,824
FICA	\$ 1,056,974	\$ 178,253	\$ 986,389	\$ 166,755	\$ 1,472,135	\$ 258,839	\$ 3,515,497	\$ 603,846
Kaiser	\$ 1,662,806	\$ 279,682	\$ 1,663,649	\$ 278,975	\$ 1,662,052	\$ 282,122	\$ 4,988,507	\$ 840,779
Health-Net	\$ 42,371	\$ 4,668	\$ 402,367	\$ 42,561	\$ 401,875	\$ 42,561	\$ 846,614	\$ 89,791
Blue Cross	\$ 393,982	\$ 34,079	\$ 32,131	\$ 3,543	\$ 717,877	\$ 64,615	\$ 1,143,990	\$ 102,237
VSP	\$ 141	\$ 2	\$ 30,021	\$ 4,643	\$ 29,802	\$ 4,680	\$ 59,965	\$ 9,325
Delta Dental	\$ 312,547	\$ 46,942	\$ 172,656	\$ 47,256	\$ 185,447	\$ 24,225	\$ 670,649	\$ 118,423
Life Insurance	\$ 252,098	\$ 41,039	\$ 160,687	\$ 26,176	\$ 160,354	\$ 26,389	\$ 573,139	\$ 93,603
LTD	\$ 68,867	\$ 11,725	\$ 34,448	\$ 5,694	\$ 34,445	\$ 5,739	\$ 137,761	\$ 23,158
Unemploy Ins	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 22,641,271	\$ 3,781,409	\$ 21,402,476	\$ 3,619,961	\$ 31,417,874	\$ 5,421,196	\$ 75,461,621	\$ 12,822,566

**DISBURSEMENT SUMMARY
(RESOLUTION NO. 32837-94)**

	January 2018		February 2018		March 2018		QUARTERLY TOTALS	
Voucher Payments	\$ 33,429,483	\$ 3,106,822	\$ 27,865,425	\$ 3,257,197	\$ 31,621,371	\$ 4,335,237	\$ 92,916,280	\$ 10,699,256
Customer Refunds	\$ 62,739	\$ -	\$ 94,427	\$ -	\$ 139,997	\$ -	\$ 297,163	\$ -
Electronic payments	\$ 1,068,779	\$ 8,418	\$ 593,859	\$ 2,500	\$ 679,178	\$ 6,750	\$ 2,341,815	\$ 17,668
Peard payments	\$ 663,998	\$ -	\$ 796,279	\$ -	\$ 646,432	\$ -	\$ 2,106,709	\$ -
TOTAL	\$ 35,224,999	\$ 3,115,240	\$ 29,349,989	\$ 3,259,697	\$ 33,086,978	\$ 4,341,987	\$ 97,661,967	\$ 10,716,924

NOTES: *Includes retroactive pay for the period of April 17, 2017 through March 4, 2018.

By:  4-16-18
 Sophia D. Skoda, Director of Finance Date

By:  4-16-18
 D. Scott Klein, Controller Date

REAL ESTATE SERVICES QUARTERLY REPORT

January – March 2018

PROPERTY PURCHASES

OWNER	LOCATION	SIZE	TYPE	PROJECT/PURPOSE	AMOUNT PAID	DATE
The 911 Trust	1900 San Pablo Ave, Berkeley	Approx. 11,800 sf.	Temporary Construction Easement	Evelyn Cluster Project – Staging Area (3/26/18 – 6/30/18)	\$3,200.00	3/23/18
Israelite Missionary Baptist Church	2102 21 st Ave, Oakland	Approx. 10,000 sf.	Temporary Construction Easement	East 19 th Street Project – Staging Area (3/5/18 – 6/4/18)	\$4,500.00	2/26/18

PROPERTY DISPOSITIONS

APPLICANT	LOCATION	SIZE	TYPE	PURPOSE	AMOUNT RECEIVED	DATE
PG&E	Oakport Property	1 acre	Temporary Construction Easement	Staging area (3/1/18 – 7/1/18)	\$31,200.00	2/28/18
Butler Amusements	Oakport Property	7.6 acres	Lease	Carnival (2/26/18 – 3/13/18)	\$45,906.00	2/23/18
Classic Parking	Oakport Property	7.6 acres	Lease	Parking (2/3, 2/17, 2/18)	\$8,610.00	1/29/18

Approved by:


Matt Elawady, Manager of Real Estate Services

4.12.18
Date

Cc: Sherri Hong
Marina Hughes
Sandy Lindley

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: April 19, 2018

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager *ARC*

FROM: Sophia D. Skoda, Director of Finance *DSK for SDS*

SUBJECT: Quarterly Investment Report – March 31, 2018

SUMMARY

In accordance with Section 53646 of the California Government Code, the Treasurer of the District hereby submits to the General Manager, the Internal Auditor, and the Board of Directors a quarterly investment report. Attached is the March 31, 2018 quarterly investment report. This report will be reviewed with the Finance/Administration Committee on April 24, 2018.

DISCUSSION

The investments held by the District on March 31, 2018 are shown in Attachment A and totaled \$729.2 million. The portfolio is in compliance with the Board's adopted policy regarding District investments and yielded 1.45 percent. The portfolio includes Water System Debt Service Reserve Funds of approximately \$3.6 million that are invested in a Federal Agency note and short-term money market funds. Investments also reflect working capital of the District's Employee Retirement System (ERS) and Joint Powers Agencies.

Attachment B shows the composition and credit allocation of the District's investment portfolio. It also shows a comparison of the yield of the District's portfolio against the yield on the 90-day Treasury Bill and the Federal Funds Rate. On March 31, 2018, the Federal Funds Rate was 1.75 percent and the yield on the 90-day Treasury Bill was 1.73 percent. A forecast of the projected cash balance of the Water and Wastewater System General Funds for the six months through September 2018 is also included. In compliance with Section 53646(b)3 of the California Government Code, this report denotes that the District projects that it will be able to meet expenditure requirements for the next six months from a combination of maturing investments and revenues from budgeted operations.

ARC:DSK:RL

Attachment A – Portfolio Summary as of March 31, 2018

Attachment B – Yield and Composition of Investment Portfolio as of March 31, 2018



EAST BAY MUNICIPAL UTILITY DISTRICT
Portfolio Management
Portfolio Summary
March 31, 2018

ATTACHMENT A

Description	Face Amount Shares	Market Value	Book Value	% of Portfolio	YTM @ Cost	Days To Maturity
Federal Agency Issues Coupon	552,975,706	548,708,426	552,489,851	75.67	1.53	509
LAIF Local Government Investment Pool	53,507,380	53,507,380	53,507,380	7.38	1.41	1
Cash	45,445,974	45,445,974	45,445,974	6.27	0.30	1
Medium Term Notes	40,931,000	40,789,680	40,916,405	5.62	1.51	168
Municipal Bonds	33,100,000	32,911,773	33,093,426	4.54	1.65	346
Money Market Mutual Funds	3,327,679	3,327,679	3,327,679	0.46	1.35	1
CAMP CA Asset Mgmt Program	462,992	462,992	462,992	0.06	1.62	1
Total/Average	729,750,731	725,153,904	729,243,708	100.00	1.45	410

[Signature]

Sophia D. Skoda
Director of Finance

4-6-18

Date

*LAIF includes Retirement funds of \$8,507,380.47



EAST BAY MUNICIPAL UTILITY DISTRICT
Portfolio Management
Non-Cash Portfolio Holdings by Fund
March 31, 2018

ATTACHMENT A

Water:

Description	Face Amount Shares	Market Value	Book Value
Federal Agency Issues Coupon	492,127,706	488,272,308	491,675,320
Medium Term Notes	38,889,000	38,761,614	38,884,079
Municipal Bonds	24,825,000	24,685,465	24,824,485
LAIF Local Government Investment Pool	17,351,800	17,351,800	17,351,800
CAMP CA Asset Mgmt Program	374,296	374,296	374,296
Money Market Mutual Funds	21,217	21,217	21,217
Total/Average	573,589,019	569,466,700	573,131,196

Wastewater:

Description	Face Amount Shares	Market Value	Book Value
Federal Agency Issues Coupon	59,608,000	59,201,770	59,575,828
LAIF Local Government Investment Pool	21,021,100	21,021,100	21,021,100
Municipal Bonds	8,275,000	8,226,308	8,268,941
Medium Term Notes	2,042,000	2,028,066	2,032,326
CAMP CA Asset Mgmt Program	88,696	88,696	88,696
Total/Average	91,034,796	90,565,940	90,986,892



EAST BAY MUNICIPAL UTILITY DISTRICT
Portfolio Management
Non-Cash Portfolio Holdings by Fund
March 31, 2018

ATTACHMENT A

JPA:

BACWA	Face Amount Shares	Market Value	Book Value
LAIF Local Government Investment Pool	2,262,600	2,262,600	2,262,600
Federal Agency Issues Coupon	905,000	899,349	903,703
Total/Average	3,167,600	3,161,949	3,166,303

DERWA

LAIF Local Government Investment Pool	0	0	0
Total/Average	0	0	0

FRWA

LAIF Local Government Investment Pool	2,150,000	2,150,000	2,150,000
Total/Average	2,150,000	2,150,000	2,150,000

IICP

LAIF Local Government Investment Pool	150,500	150,500	150,500
Total/Average	150,500	150,500	150,500

UMRWA

LAIF Local Government Investment Pool	64,000	64,000	64,000
Total/Average	64,000	64,000	64,000



EAST BAY MUNICIPAL UTILITY DISTRICT
Portfolio Management
Non-Cash Portfolio Holdings by Fund
March 31, 2018

ATTACHMENT A

Other:

Employee Retirement System	Face Amount Shares	Market Value	Book Value
LAIF Local Government Investment Pool	8,507,380	8,507,380	8,507,380
Total/Average	8,507,380	8,507,380	8,507,380

FERC

LAIF Local Government Investment Pool	2,000,000	2,000,000	2,000,000
Total/Average	2,000,000	2,000,000	2,000,000

DSRF Water 2008A

Money Market Mutual Funds	3,299,352	3,299,352	3,299,352
Total/Average	3,299,352	3,299,352	3,299,352

DSRF Water 2010A

Federal Agency Issues Coupon	335,000	335,000	335,000
Money Market Mutual Funds	7,110	7,110	7,110
Total/Average	342,110	342,110	342,110



EAST BAY MUNICIPAL UTILITY DISTRICT
Portfolio Management
Portfolio Details by Fund - Investments
March 31, 2018

Description	CUSIP	Settlement Date	Face Amount Shares	Market Value	Book Value	Cost Value	Moody's	S&P	YTM @ Cost	Days To Maturity
Water:										
Federal Agency Issues Coupon										
FNMA 1.1 10/29/2018-16	3135G0G64	10/30/2015	20,000,000	19,891,800	20,000,000	20,000,000	Aaa	AA+	1.10	212
FFCB 1.25 11/21/2018	3133EHNY5	6/27/2017	15,000,000	14,927,700	14,993,597	14,986,050	Aaa	AA+	1.32	235
FHLMC Step 5/22/2020-17	3134GBNG3	7/21/2017	11,975,000	11,917,640	11,975,000	11,975,000	Aaa	AA+	2.03	783
FHLB 1.6 5/22/2020-18	3130ABYZ3	8/23/2017	10,500,000	10,332,420	10,498,975	10,498,688	Aaa	AA+	1.61	783
FFCB 1.12 5/3/2019-17	3133EGD77	8/7/2017	10,000,000	9,879,800	9,964,532	9,943,500	Aaa	AA+	1.45	398
FHLMC 1.08 10/19/2018-16	3134GTV57	11/8/2017	10,000,000	9,951,900	9,974,765	9,956,900	Aaa	AA+	1.54	202
FNMA 0.875 5/21/2018	3135G0WJ8	9/18/2017	9,951,000	9,939,457	9,946,132	9,927,615	Aaa	AA+	1.23	51
FHLMC Step 8/24/2021-17	3134GAEM2	8/24/2016	9,000,000	8,915,670	8,999,082	8,998,650	Aaa	AA+	2.08	1242
FNMA 0.875 5/21/2018	3135G0WJ8	6/28/2017	8,815,000	8,804,775	8,810,518	8,786,263	Aaa	AA+	1.24	51
FHLB Step 11/24/2021-17	3130AA2M9	11/30/2016	8,750,000	8,723,313	8,730,760	8,723,750	Aaa	AA+	2.05	1334
FHLMC 1.5 11/27/2019-17	3134GA4E1	6/27/2017	6,700,000	6,614,039	6,703,449	6,705,025	Aaa	AA+	1.47	606
FHLB 1.2 5/23/2019-16	3130A7ZW8	6/26/2017	6,000,000	5,932,020	5,981,875	5,969,820	Aaa	AA+	1.47	418
FNMA 0.875 5/21/2018	3135G0WJ8	8/16/2017	5,790,000	5,783,284	5,787,058	5,773,962	Aaa	AA+	1.24	51
FNMA 1 4/30/2018-13	3136G0V57	9/20/2017	5,665,000	5,661,941	5,663,882	5,656,729	Aaa	AA+	1.24	30
FHLB Step 11/28/2018-17	3134GAWZ3	11/28/2016	5,650,000	5,643,729	5,647,116	5,641,299	Aaa	AA+	1.31	242
FHLMC Step 11/22/2019-17	3134GAWK6	11/22/2016	5,425,000	5,379,484	5,417,556	5,411,438	Aaa	AA+	1.74	601
FHLMC 1.55 11/27/2019-17	3134GA2P8	6/30/2017	5,420,000	5,354,852	5,421,829	5,422,656	Aaa	AA+	1.53	606
FFCB 1.25 5/23/2019-16	3133EFD20	9/27/2017	5,000,000	4,942,300	4,985,789	4,979,500	Aaa	AA+	1.50	418
FHLB 1.07 11/26/2018-17	3130A7XG5	8/16/2017	5,000,000	4,968,300	4,990,904	4,982,300	Aaa	AA+	1.35	240
FHLMC Step 7/19/2021-17	3134G9N52	7/19/2016	5,000,000	4,902,900	5,000,000	5,000,000	Aaa	AA+	1.73	1206
FHLMC Step 7/27/2021-17	3134G9L47	7/27/2016	5,000,000	4,864,500	5,000,000	5,000,000	Aaa	AA+	1.62	1214
FHLMC Step 8/25/2021-16	3134GACG7	8/25/2016	5,000,000	4,917,400	5,000,000	5,000,000	Aaa	AA+	2.21	1243
FHLMC Step 8/25/2021-17	3134G95P8	8/25/2016	5,000,000	4,921,950	5,000,000	5,000,000	Aaa	AA+	1.89	1243
FHLMC 1.45 5/28/2019-17	3134GBNZ1	7/12/2017	4,470,000	4,425,077	4,469,282	4,468,838	Aaa	AA+	1.46	423
FHLB Step 11/23/2020-17	3130A9XU0	11/23/2016	4,400,000	4,350,720	4,393,441	4,390,100	Aaa	AA+	1.70	968
FHLMC Step 11/23/2020-17	3134GAWW0	11/23/2016	4,275,000	4,232,165	4,266,503	4,262,175	Aaa	AA+	1.84	968
FHLB 1.65 5/28/2020-18	3130AC7J7	8/28/2017	4,185,000	4,121,346	4,184,868	4,184,833	Aaa	AA+	1.65	789
FHLB 1.24 5/23/2019-13	313382ZB2	9/20/2017	4,100,000	4,055,392	4,090,869	4,086,675	Aaa	AA+	1.44	418
FHLB Step 3/30/2021-16	3130A9HD6	9/30/2016	4,000,000	3,977,440	4,000,000	4,000,000	Aaa	AA+	2.30	1095
FHLMC 1 7/27/2018-17	3134G9X51	7/27/2016	4,000,000	3,988,760	4,000,000	4,000,000	Aaa	AA+	1.00	118
FHLMC Step 6/30/2020-16	3134G9YE1	6/30/2016	4,000,000	3,975,160	4,000,000	4,000,000	Aaa	AA+	1.74	822
FHLMC Step 9/23/2021-16	3134GAHM9	9/23/2016	4,000,000	3,970,720	3,998,607	3,998,000	Aaa	AA+	2.09	1272

Description	CUSIP	Settlement Date	Face Amount Shares	Market Value	Book Value	Cost Value	Moody's	S&P	YTM @ Cost	Days To Maturity
FNMA 1.25 7/26/2019-17	3135G0N25	7/26/2016	4,000,000	3,949,320	4,000,000	4,000,000	Aaa	AA+	1.25	482
FNMA Step 7/26/2019-16	3136G3ZA6	7/26/2016	4,000,000	3,974,160	4,000,000	4,000,000	Aaa	AA+	1.41	482
FNMA Step 7/28/2021-17	3136G3T96	7/28/2016	4,000,000	3,915,520	4,000,000	4,000,000	Aaa	AA+	1.69	1215
FHLMC 1.25 5/24/2019-17	3134G9QL4	10/11/2017	3,965,000	3,922,892	3,953,145	3,948,307	Aaa	AA+	1.51	419
FFCB 1.34 11/2/2018	3133EHB51	10/2/2017	3,900,000	3,888,339	3,899,426	3,898,947	Aaa	AA+	1.37	216
FHLMC Step 10/28/2021-17	3134GASR6	10/28/2016	3,550,000	3,519,541	3,548,730	3,548,225	Aaa	AA+	2.04	1307
FNMA 1.25 11/15/2019-17	3135G0R62	7/20/2017	3,515,000	3,457,881	3,500,227	3,493,910	Aaa	AA+	1.51	594
FHLB Step 12/28/2021-17	3130AABN7	12/28/2016	3,510,000	3,514,914	3,508,028	3,507,368	Aaa	AA+	3.08	1368
FFCB 1.03 4/5/2019-16	3133EGJW6	11/14/2017	3,500,000	3,458,070	3,476,808	3,468,220	Aaa	AA+	1.69	370
FHLMC 1.3 11/27/2019-17	3134GAWD2	7/12/2017	3,500,000	3,438,995	3,489,590	3,485,090	Aaa	AA+	1.48	606
FNMA 1.25 11/25/2019-17	3135G0R70	7/14/2017	3,500,000	3,442,110	3,485,833	3,479,735	Aaa	AA+	1.50	604
FHLMC Step 7/14/2020-16	3134G9J81	7/14/2016	3,365,000	3,317,890	3,364,807	3,364,864	Aaa	AA+	1.53	836
FFCB 1.74 11/25/2020-17	3133EHKS1	6/23/2017	3,325,000	3,258,101	3,322,422	3,321,675	Aaa	AA+	1.77	970
FHLMC 1.125 11/26/2018-17	3134G9QH3	7/11/2017	3,215,000	3,193,942	3,210,551	3,205,677	Aaa	AA+	1.34	240
FHLMC 1.2 5/23/2019-16	3134GAAR5	8/23/2016	3,200,000	3,157,856	3,200,000	3,200,000	Aaa	AA+	1.20	418
FHLMC Step 11/26/2019-17	3134GAZN7	11/30/2016	3,190,000	3,177,176	3,186,816	3,184,258	Aaa	AA+	1.56	605
FHLMC Step 7/27/2021-17	3134G9K63	7/27/2016	3,180,000	3,135,862	3,179,471	3,179,205	Aaa	AA+	1.76	1214
FHLB 1.125 4/25/2018	3130A4GJ5	11/8/2017	3,175,000	3,173,698	3,174,565	3,172,079	Aaa	AA+	1.32	25
FHLMC 1.25 5/24/2019-16	3134G9LD7	7/18/2017	3,050,000	3,016,237	3,045,078	3,042,070	Aaa	AA+	1.39	419
FHLB Step 5/24/2021-17	3130ABBG0	8/14/2017	3,025,000	3,014,322	3,024,798	3,024,758	Aaa	AA+	2.57	1150
FFCB 1.3 11/7/2019	3133EA7D4	9/22/2017	3,000,000	2,954,130	2,988,718	2,985,060	Aaa	AA+	1.54	586
FHLMC 1 5/25/2018-17	3134G9HC4	9/19/2017	3,000,000	2,996,370	2,999,049	2,995,710	Aaa	AA+	1.21	55
FHLMC 1.3 5/24/2019-16	3134G9MU8	7/18/2017	3,000,000	2,968,770	2,997,207	2,995,500	Aaa	AA+	1.38	419
FHLMC Step 7/19/2021-17	3134G9N52	7/19/2016	3,000,000	2,941,740	3,000,000	3,000,000	Aaa	AA+	1.73	1206
FNMA 0.875 5/21/2018	3135G0WJ8	6/26/2017	3,000,000	2,996,520	2,998,489	2,990,250	Aaa	AA+	1.24	51
FNMA 0.875 5/21/2018	3135G0WJ8	10/2/2017	3,000,000	2,996,520	2,998,450	2,992,980	Aaa	AA+	1.25	51
FNMA 0.875 5/21/2018	3135G0WJ8	11/6/2017	3,000,000	2,996,520	2,997,970	2,992,200	Aaa	AA+	1.36	51
FNMA 1.75 11/26/2019	3135G0ZY2	7/11/2017	3,000,000	2,975,130	3,012,966	3,018,603	Aaa	AA+	1.48	605
FNMA Step 10/28/2019-16	3136G3E43	7/28/2016	3,000,000	2,984,670	2,999,636	2,999,250	Aaa	AA+	1.54	576
FNMA Step 7/19/2021-17	3136G3ZZ1	7/19/2016	3,000,000	2,924,280	3,000,000	3,000,000	Aaa	AA+	1.73	1206
FNMA Step 7/26/2019-17	3136G3F67	7/26/2016	3,000,000	2,990,820	3,000,000	3,000,000	Aaa	AA+	1.46	482
FHLMC Step 10/28/2021-17	3134GASC9	10/28/2016	2,960,000	2,924,273	2,957,352	2,956,300	Aaa	AA+	2.03	1307
FHLMC 1.85 11/27/2020-17	3134GA2Q6	10/4/2017	2,925,000	2,881,242	2,924,629	2,924,561	Aaa	AA+	1.86	972
FFCB 0.89 11/16/2018	3133EGJ48	7/25/2017	2,836,000	2,815,836	2,828,578	2,820,544	Aaa	AA+	1.31	230
FHLMC Step 10/26/2019-17	3134GASN5	1/25/2018	2,750,000	2,725,828	2,730,849	2,728,688	Aaa	AA+	2.12	576
FHLMC 1.05 5/25/2018-16	3134G9LS4	6/22/2017	2,666,000	2,662,961	2,665,143	2,660,748	Aaa	AA+	1.27	55
FHLMC 1 5/25/2018-16	3134G9KU0	8/21/2017	2,650,000	2,646,794	2,649,084	2,645,389	Aaa	AA+	1.23	55
FHLB 1 5/10/2018-17	3130A8XH1	9/20/2017	2,500,000	2,497,950	2,499,289	2,495,875	Aaa	AA+	1.26	40
FHLMC Step 10/28/2019-17	3134GAUR3	10/28/2016	2,500,000	2,486,625	2,500,000	2,500,000	Aaa	AA+	1.57	576
FHLMC Step 7/26/2019-17	3134G9J24	7/26/2016	2,500,000	2,490,500	2,499,890	2,499,750	Aaa	AA+	1.50	482
FHLMC Step 8/28/2019-17	3134GAEV2	8/30/2016	2,500,000	2,489,000	2,500,000	2,500,000	Aaa	AA+	1.71	515

Description	CUSIP	Settlement Date	Face Amount Shares	Market Value	Book Value	Cost Value	Moody's	S&P	YTM @ Cost	Days To Maturity
FHLMC Step 9/30/2021-16	3134GAGL2	9/30/2016	2,468,000	2,469,357	2,467,654	2,467,506	Aaa	AA+	2.27	1279
FFCB 0.89 11/16/2018	3133EGJ48	9/18/2017	2,439,000	2,421,659	2,432,305	2,426,659	Aaa	AA+	1.33	230
FHLMC 1.25 5/24/2019-16	3134G9LD7	11/16/2017	2,400,000	2,373,432	2,387,748	2,383,800	Aaa	AA+	1.70	419
FHLMC 1.4 2/25/2019-17	3134GAW26	10/4/2017	2,400,000	2,384,064	2,398,439	2,397,600	Aaa	AA+	1.47	331
FHLMC Step 8/28/2019-17	3134GAEV2	8/30/2016	2,400,000	2,389,440	2,400,000	2,400,000	Aaa	AA+	1.71	515
FHLMC Step 11/22/2019-17	3134GAWK6	11/22/2016	2,250,000	2,231,123	2,248,148	2,246,625	Aaa	AA+	1.71	601
FFCB 1.39 4/17/2019-17	3133EHFP3	9/22/2017	2,200,000	2,181,498	2,198,531	2,197,800	Aaa	AA+	1.45	382
FHLB 1.02 5/24/2019-17	3130A8YU1	6/23/2017	2,200,000	2,170,564	2,190,545	2,184,204	Aaa	AA+	1.40	419
FNMA 1 10/26/2018-17	3136G3ZS7	11/6/2017	2,190,000	2,177,101	2,183,626	2,179,203	Aaa	AA+	1.51	209
FHLMC Step 11/23/2020-17	3134GAWW0	11/23/2016	2,150,000	2,128,457	2,145,726	2,143,550	Aaa	AA+	1.84	968
FHLB 1.1 11/28/2018-16	3130A7YG4	12/12/2017	2,140,000	2,126,689	2,130,926	2,126,839	Aaa	AA+	1.75	242
FHLMC 1.125 11/28/2018-17	3134GAYE8	8/17/2017	2,095,000	2,082,912	2,092,313	2,089,804	Aaa	AA+	1.32	242
FHLMC Step 11/26/2019-17	3134GAZN7	11/30/2016	2,050,000	2,041,759	2,049,318	2,048,770	Aaa	AA+	1.52	605
FFCB 1.15 11/23/2018-16	3133EFD95	8/3/2017	2,000,000	1,989,640	1,997,368	1,994,702	Aaa	AA+	1.36	237
FHLB 1.05 10/26/2018-16	3130A8RP0	9/19/2017	2,000,000	1,989,440	1,996,943	1,994,120	Aaa	AA+	1.32	209
FHLMC 1 11/29/2018-15	3134GAHA5	8/30/2016	2,000,000	1,986,240	2,000,000	2,000,000	Aaa	AA+	1.00	242
FHLMC 1 7/27/2018-17	3134G44S4	8/4/2017	2,000,000	1,986,820	1,995,488	1,991,050	Aaa	AA+	1.34	243
FHLMC 1.07 5/25/2018-16	3134G9X51	7/27/2016	2,000,000	1,994,380	1,999,871	1,999,200	Aaa	AA+	1.02	118
FHLMC 1.125 5/22/2019-17	3134G9GP6	8/1/2017	2,000,000	1,997,660	1,999,444	1,997,000	Aaa	AA+	1.26	55
FHLMC 1.125 5/28/2019-17	3134G92M8	9/18/2017	2,000,000	1,976,060	1,993,653	1,990,700	Aaa	AA+	1.41	417
FHLMC 1.125 5/28/2019-17	3134GAXB5	9/19/2017	2,000,000	1,974,500	1,992,584	1,989,200	Aaa	AA+	1.45	423
FHLMC Step 1/25/2019-17	3134G9Y43	7/25/2016	2,000,000	1,995,980	2,000,000	2,000,000	Aaa	AA+	1.22	300
FHLMC Step 11/25/2020-18	3134GB3T7	12/12/2017	2,000,000	1,980,960	1,998,741	1,998,600	Aaa	AA+	2.22	970
FNMA 1.06 4/30/2018-13	3136GOY47	11/16/2017	2,000,000	1,999,020	1,999,447	1,996,960	Aaa	AA+	1.40	30
FNMA Step 7/26/2019-17	3136G3F67	7/26/2016	2,000,000	1,993,880	2,000,000	2,000,000	Aaa	AA+	1.46	482
FNMA Step 7/26/2019-17	3136G3ZT5	7/26/2016	2,000,000	1,982,360	2,000,000	2,000,000	Aaa	AA+	1.25	482
FHLMC Step 9/30/2019-17	3134GAMF8	9/30/2016	1,930,000	1,921,547	1,930,000	1,930,000	Aaa	AA+	1.62	548
FNMA Step 7/26/2019-17	3136G3F67	10/4/2017	1,890,000	1,884,217	1,889,351	1,889,112	Aaa	AA+	1.90	482
FFCB 2 5/17/2021-17	3133EHJP9	7/24/2017	1,830,000	1,804,325	1,830,165	1,830,201	Aaa	AA+	2.00	1143
FHLMC Step 10/28/2021-17	3134GASK1	10/28/2016	1,800,000	1,785,636	1,800,000	1,800,000	Aaa	AA+	2.27	1307
FNMA 0.875 5/21/2018	3135G0WJ8	8/18/2017	1,785,000	1,782,929	1,784,114	1,780,205	Aaa	AA+	1.23	51
FHLB 1.375 11/2/2018	3130ACR89	11/8/2017	1,750,000	1,743,385	1,748,663	1,747,778	Aaa	AA+	1.51	216
FNMA 1.4 6/13/2019-16	3135G0K85	8/11/2017	1,720,000	1,704,107	1,719,122	1,718,658	Aaa	AA+	1.44	439
FFCB 1.18 11/26/2019	3133EC4K7	6/28/2017	1,700,000	1,669,791	1,691,781	1,688,032	Aaa	AA+	1.48	605
FNMA 1.05 11/26/2018-14	3136G06Q9	9/19/2017	1,700,000	1,688,593	1,696,693	1,694,033	Aaa	AA+	1.35	240
FHLMC 1 5/11/2018-16	3134G9JD0	11/8/2017	1,600,000	1,598,608	1,599,405	1,597,328	Aaa	AA+	1.33	41
FNMA 0.875 5/21/2018	3135G0WJ8	7/18/2017	1,600,000	1,598,144	1,599,181	1,595,072	Aaa	AA+	1.24	51
FHLB 1.2 10/26/2018-17	3130AAM47	7/19/2017	1,550,000	1,542,855	1,549,127	1,548,063	Aaa	AA+	1.30	209
FFCB 1.2 2/11/2019-16	3133EFTY8	8/11/2017	1,537,000	1,525,303	1,534,515	1,532,696	Aaa	AA+	1.39	317
FFCB 1.06 11/19/2018-16	3133EGBE4	6/23/2017	1,500,000	1,492,185	1,497,301	1,494,045	Aaa	AA+	1.35	233
FHLB 1 11/23/2018-17	3130A8Y98	7/25/2017	1,500,000	1,489,965	1,496,708	1,493,250	Aaa	AA+	1.34	237

Description	CUSIP	Settlement Date	Face Amount Shares	Market Value	Book Value	Cost Value	Moody's	S&P	YTM @ Cost	Days To Maturity
FHLB 1.45 11/8/2019-13	313380ZN0	8/1/2017	1,500,000	1,481,760	1,497,748	1,496,820	Aaa	AA+	1.55	587
FHLB Step 11/17/2021-17	3130A9UU3	11/17/2016	1,500,000	1,481,655	1,494,550	1,492,500	Aaa	AA+	1.91	1327
FNMA 0.94 7/27/2018-16	3136G3ZU2	7/27/2016	1,500,000	1,495,515	1,500,000	1,500,000	Aaa	AA+	0.94	118
FNMA 1.25 6/13/2019-16	3135G0K77	9/22/2017	1,400,000	1,383,816	1,395,652	1,393,770	Aaa	AA+	1.51	439
FFCB 1 10/17/2018	3133EFN37	8/16/2017	1,195,000	1,188,941	1,192,839	1,190,387	Aaa	AA+	1.33	200
FHLMC Step 6/28/2019-16	3134G9VN4	9/20/2017	1,174,000	1,168,189	1,173,299	1,173,002	Aaa	AA+	1.68	454
FHLB 1.375 5/28/2019	3130ABF92	9/22/2017	1,130,000	1,119,604	1,129,166	1,128,791	Aaa	AA+	1.44	423
FFCB 0.95 5/8/2018-14	3133ECNY6	1/4/2018	1,000,000	999,240	999,387	998,000	Aaa	AA+	1.53	38
FFCB 0.98 4/24/2018-14	3133ECMF8	8/14/2017	1,000,000	999,660	999,836	998,270	Aaa	AA+	1.23	24
FFCB 1 4/1/2018-14	3133ECL44	7/24/2017	1,000,000	999,830	999,930	998,350	Aaa	AA+	1.23	11
FFCB 1.12 5/3/2019-17	3133EGD77	8/10/2017	1,000,000	987,980	996,972	995,200	Aaa	AA+	1.40	398
FFCB 1.18 10/18/2019-16	3133EGLD5	7/19/2017	1,000,000	982,550	995,133	992,940	Aaa	AA+	1.50	566
FFCB 1.65 5/15/2019	3133EDLR1	9/19/2017	1,000,000	993,600	1,002,346	1,003,450	Aaa	AA+	1.44	410
FHLB 1 5/10/2018-17	3130A8XH1	6/27/2017	1,000,000	999,180	999,779	998,250	Aaa	AA+	1.20	40
FHLB 1 5/16/2018-13	313382Y98	7/24/2017	1,000,000	999,090	999,689	998,000	Aaa	AA+	1.25	46
FHLB 1.1 11/28/2018-16	3130A7YG4	10/13/2017	1,000,000	993,780	997,521	995,790	Aaa	AA+	1.48	242
FHLB 1.25 11/13/2019-15	313382W33	7/21/2017	1,000,000	983,570	996,609	995,160	Aaa	AA+	1.46	592
FHLB 1.25 11/30/2018	3130A6UU4	9/21/2017	1,000,000	994,690	998,999	998,216	Aaa	AA+	1.40	244
FHLB Step 9/29/2020-18	3130ACFY5	10/4/2017	1,000,000	987,820	998,745	998,500	Aaa	AA+	1.94	913
FHLMC 0.9 5/10/2018-16	3134G9T49	7/25/2017	1,000,000	999,050	999,626	997,300	Aaa	AA+	1.24	40
FHLMC 1 5/11/2018-16	3134G9JD0	10/23/2017	1,000,000	999,130	999,664	998,360	Aaa	AA+	1.30	41
FHLMC 1 5/25/2018-16	3134G9KU0	7/12/2017	1,000,000	998,790	999,566	997,500	Aaa	AA+	1.29	55
FHLMC 1 5/25/2018-16	3134G9KU0	8/10/2017	1,000,000	998,790	999,652	998,180	Aaa	AA+	1.23	55
FHLMC 1 5/25/2018-16	3134G9KU0	8/14/2017	1,000,000	998,790	999,690	998,400	Aaa	AA+	1.21	55
FHLMC 1.1 6/28/2019-16	3134G9G84	10/3/2017	1,000,000	985,740	994,621	992,500	Aaa	AA+	1.54	454
FHLMC Step 4/4/2019-17	3134G8TL3	2/9/2018	1,000,000	998,310	998,899	998,750	Aaa	AA+	2.01	369
FNMA 1.03 5/21/2018-14	3135G0XA6	10/25/2017	1,000,000	999,070	999,595	998,350	Aaa	AA+	1.32	51
FNMA 1.03 5/21/2018-14	3135G0XA6	8/21/2017	1,000,000	999,070	999,722	998,510	Aaa	AA+	1.23	51
FNMA 1.03 5/21/2018-14	3135G0XA6	10/11/2017	1,000,000	999,070	999,621	998,350	Aaa	AA+	1.30	51
FNMA 1.15 5/24/2019-17	3136G3AR6	9/19/2017	1,000,000	988,330	996,851	995,400	Aaa	AA+	1.43	419
FNMA 1.2 6/24/2019-14	3136G14U0	9/20/2017	1,000,000	988,080	996,958	995,660	Aaa	AA+	1.45	450
FNMA 1.25 11/26/2019-17	3136G3PE9	7/19/2017	1,000,000	983,430	996,778	995,420	Aaa	AA+	1.45	605
FNMA 1.4 11/27/2019-13	3136G13Z0	8/17/2017	1,000,000	985,810	998,361	997,750	Aaa	AA+	1.50	606
FNMA 1.625 11/27/2018	3135G0YT4	2/9/2018	1,000,000	997,410	998,095	997,700	Aaa	AA+	1.92	241
FNMA Step 2/26/2019-16	3136G2ZX8	2/26/2016	1,000,000	998,740	1,000,000	1,000,000	Aaa	AA+	1.39	332
FHLB 1.42 5/28/2019-17	3130AC5B6	8/28/2017	970,000	961,280	970,000	970,000	Aaa	AA+	1.42	423
FHLMC Step 11/27/2020-16	3134G75M9	8/7/2017	900,000	890,343	898,190	897,750	Aaa	AA+	2.67	972
FHLB 1.42 5/28/2019-17	3130AC5B6	8/28/2017	850,000	842,359	850,000	850,000	Aaa	AA+	1.42	423
FNMA 0.875 5/21/2018	3135G0WJ8	8/11/2017	840,000	839,026	839,594	837,749	Aaa	AA+	1.22	51
FFCB 1.15 11/23/2018-16	3133EFD95	7/27/2017	800,000	795,856	798,797	797,544	Aaa	AA+	1.39	237
FHLMC 1.2 7/30/2018-14	3134G3ZK9	7/19/2017	800,000	798,208	799,789	799,344	Aaa	AA+	1.28	121

Description	CUSIP	Settlement Date	Face Amount Shares	Market Value	Book Value	Cost Value	Moody's	S&P	YTM @ Cost	Days To Maturity
FFCB 5.15 11/15/2019	31331YEH9	7/24/2017	691,000	722,599	731,613	748,705	Aaa	AA+	1.46	594
FNMA 0.875 5/21/2018	3135G0WJ8	8/4/2017	635,000	634,263	634,673	633,143	Aaa	AA+	1.24	51
FHLMC 1 5/11/2018-16	3134G9JD0	8/10/2017	600,000	599,478	599,838	598,914	Aaa	AA+	1.24	41
FHLMC Step 10/28/2021-17	3134GASR6	10/28/2016	585,000	579,981	584,891	584,848	Aaa	AA+	2.04	1307
FNMA 1 4/30/2018-14	3136G1KD0	8/4/2017	510,000	509,720	509,891	509,026	Aaa	AA+	1.26	30
FNMA 0.95 7/20/2018-16	3136G3ZQ1	7/24/2017	505,000	503,621	504,452	503,217	Aaa	AA+	1.31	111
FAMC 1.52 7/15/2019-18	3132X0WA5	8/14/2017	500,000	495,540	500,000	500,000	Aaa	AA+	1.52	471
FFCB 0.875 6/25/2018	3133EFD87	8/17/2017	500,000	499,105	499,557	498,394	Aaa	AA+	1.25	86
FFCB 0.97 11/1/2018-17	3133EGA70	7/17/2017	500,000	497,310	498,770	497,300	Aaa	AA+	1.39	215
FFCB 1.1 10/15/2018-16	3133EFJP3	8/18/2017	500,000	497,735	499,328	498,565	Aaa	AA+	1.35	198
FFCB 1.32 5/7/2020-17	3133EGD69	7/27/2017	500,000	487,790	496,784	495,750	Aaa	AA+	1.63	768
FHLB 1.03 5/28/2019-17	3130A92Y6	7/27/2017	500,000	493,200	497,522	496,075	Aaa	AA+	1.47	423
FHLB 1.05 11/8/2018-13	313381VJ1	6/23/2017	500,000	497,070	499,190	498,165	Aaa	AA+	1.32	222
FHLB 1.25 5/23/2019-16	3130A86T5	6/23/2017	500,000	494,615	498,930	498,210	Aaa	AA+	1.44	418
FHLB 2 11/21/2019	313376H24	8/1/2017	500,000	496,800	504,215	505,915	Aaa	AA+	1.48	600
FHLMC 1 11/23/2018-17	3134GAGG3	7/21/2017	500,000	496,820	499,033	498,000	Aaa	AA+	1.30	237
FHLMC 1 11/23/2018-17	3134GAGG3	8/17/2017	500,000	496,820	498,976	498,000	Aaa	AA+	1.32	237
FHLMC 1 5/23/2018-16	3134G74Z1	8/1/2017	500,000	499,420	499,788	498,820	Aaa	AA+	1.29	53
FHLMC 1.05 10/30/2018-15	3134G42X5	8/11/2017	500,000	497,470	499,246	498,425	Aaa	AA+	1.31	213
FHLMC 1.2 5/7/2019-15	3134G43G1	8/7/2017	500,000	494,605	498,967	498,360	Aaa	AA+	1.39	402
FNMA 1.25 11/20/2018-15	3136G2H91	7/19/2017	500,000	497,485	499,740	499,458	Aaa	AA+	1.33	234
FNMA 1.5 11/30/2018-14	3136G0HK0	6/26/2017	450,000	448,515	450,425	450,910	Aaa	AA+	1.36	244
FNMA 0.875 5/21/2018	3135G0WJ8	6/26/2017	440,000	439,490	439,771	438,520	Aaa	AA+	1.25	51
FHLMC 1.5 9/9/2019-18	3134GA7A6	7/24/2017	420,000	415,174	419,957	419,937	Aaa	AA+	1.51	527
FHLB 1.3 5/1/2020-17	3130A8VWV9	8/4/2017	400,000	391,344	397,601	396,848	Aaa	AA+	1.60	762
FHLMC Step 10/28/2019-17	3134GASN5	10/28/2016	400,000	396,484	400,000	400,000	Aaa	AA+	1.41	576
FHLB Step 6/29/2020-17	3130ABLU8	8/17/2017	365,000	363,569	364,714	364,635	Aaa	AA+	1.93	821
FHLB 1.125 8/23/2018-16	3130A8VQ3	8/17/2017	350,000	348,828	349,774	349,423	Aaa	AA+	1.29	145
FHLMC Step 5/22/2019-17	3134GBLF7	6/26/2017	300,000	299,787	299,982	299,970	Aaa	AA+	1.79	417
FFCB 1.02 5/14/2018-13	3133EC2E3	7/27/2017	250,000	249,838	249,928	249,525	Aaa	AA+	1.26	44
FFCB 1.34 10/17/2019-14	313380XX0	8/18/2017	250,000	246,490	249,499	249,300	Aaa	AA+	1.47	565
FHLB 1.15 11/6/2018-14	3133816L4	8/18/2017	250,000	248,610	249,687	249,368	Aaa	AA+	1.36	220
FHLMC 1.2 11/19/2018-13	3134G3U32	7/17/2017	250,000	248,740	249,834	249,650	Aaa	AA+	1.31	233
FFCB 4.25 4/16/2018	31331YF21	8/11/2017	210,000	210,208	210,272	214,221	Aaa	AA+	1.27	16
FFCB 2.07 5/9/2022-18	3133EHHV8	8/2/2017	200,000	195,208	200,129	200,150	Aaa	AA+	2.05	1500
FNMA 1 6/19/2018-14	3136G12Z1	8/15/2017	200,000	199,658	199,885	199,558	Aaa	AA+	1.26	80
FHLMC 1.25 11/22/2019-17	3134GAWN0	7/12/2017	175,000	171,875	174,332	174,041	Aaa	AA+	1.49	601
FHLB 1 5/4/2018-16	3130A7TJ4	7/26/2017	150,000	149,897	149,954	149,621	Aaa	AA+	1.33	34
FHLMC 1.5 9/27/2019-17	3134GBWH1	8/14/2017	150,000	147,987	149,894	149,850	Aaa	AA+	1.55	545
FHLB 1.37 10/24/2019-14	313380Z75	8/14/2017	139,706	137,503	139,057	138,798	Aaa	AA+	1.67	572
FNMA 1.4 11/25/2019-16	3136G3RC1	7/12/2017	132,000	130,140	131,650	131,498	Aaa	AA+	1.56	604

Description	CUSIP	Settlement Date	Face Amount Shares	Market Value	Book Value	Cost Value	Moody's	S&P	YTM @ Cost	Days To Maturity
FFCB 1.12 10/22/2018-13	3133EA5L8	8/14/2017	125,000	124,484	124,830	124,641	Aaa	AA+	1.36	205
FNMA 1.05 11/26/2018-14	3136G06Q9	8/10/2017	120,000	119,195	119,767	119,541	Aaa	AA+	1.35	240
FAMC 1.14 9/4/2018	3132X0BT7	8/11/2017	119,000	118,650	118,899	118,751	Aaa	AA+	1.34	157
FFCB 4.25 4/16/2018	31331YF21	8/11/2017	100,000	100,099	100,130	102,010	Aaa	AA+	1.27	16
FHLB 1.35 11/24/2020-17	3130A9VU2	7/27/2017	100,000	97,319	99,084	98,850	Aaa	AA+	1.71	969
FHLMC 1.05 11/28/2018-17	3134G94Q7	8/22/2017	100,000	99,334	99,804	99,625	Aaa	AA+	1.35	242
FNMA 1.15 11/28/2018-14	3136G1M89	8/23/2017	100,000	99,449	99,856	99,725	Aaa	AA+	1.37	242
Subtotal/Average			492,127,706	488,272,308	491,675,320	491,289,893				
Medium Term Notes										
Microsoft Corp 1.3 11/3/2018	594918BF0	9/20/2017	8,909,000	8,860,980	8,903,564	8,898,755	Aaa	AAA	1.40	217
The Coca Cola Co 1.65 11/1/2018	191216BF6	11/2/2017	5,127,000	5,107,979	5,131,330	5,134,332	Aa3	AA-	1.51	215
Apple Inc. 1 5/3/2018	037833AJ9	11/7/2017	5,050,000	5,044,950	5,048,334	5,041,062	Aa1	AA+	1.36	33
Apple Inc. 1 5/3/2018	037833AJ9	10/11/2017	5,000,000	4,995,000	4,998,318	4,989,600	Aa1	AA+	1.37	33
Berkshire Hathaway Fin 5.4 5/15/2018	084664BE0	10/26/2017	3,412,000	3,422,748	3,428,660	3,486,416	Aa2	AA	1.42	45
Apple Inc. 1 5/3/2018	037833AJ9	1/25/2018	3,406,000	3,402,594	3,404,119	3,400,414	Aa1	AA+	1.60	33
Apple Inc 1.8 11/13/2019	037833DH0	11/13/2017	3,000,000	2,968,830	2,998,784	2,998,500	Aa1	AA+	1.83	592
The Coca Cola Co 1.375 5/30/2019	191216BV1	2/12/2018	1,350,000	1,333,368	1,337,771	1,336,419	Aa3	AA-	2.16	425
Apple Inc. 1 5/3/2018	037833AJ9	2/8/2018	1,135,000	1,133,865	1,134,336	1,133,309	Aa1	AA+	1.63	33
Apple Inc. 1 5/3/2018	037833AJ9	10/4/2017	1,000,000	999,000	999,692	998,030	Aa1	AA+	1.34	33
Microsoft Corp 1.3 11/3/2018	594918BF0	12/13/2017	1,000,000	994,610	997,329	996,000	Aaa	AAA	1.76	217
Johnson & Johnson 1.65 12/5/2018	478160BG8	10/27/2015	500,000	497,690	501,842	508,395	Aaa	AAA	1.10	249
Subtotal/Average			38,889,000	38,761,614	38,884,079	38,921,230				
Municipal Bonds										
Los Angeles Unified School District 1.85 5/1/2018	544646X5	3/8/2018	4,260,000	4,259,744	4,260,000	4,260,000	None	Aa2	1.85	31
Los Angeles County Redevelopment 1 9/1/2018	54465AGJ5	8/25/2016	3,250,000	3,235,798	3,249,823	3,249,155	Aa3	AA	1.01	154
Santa Clara County CA 2 8/1/2019	801546PD8	11/9/2017	2,630,000	2,619,612	2,641,021	2,644,228	Aaa	AA+	1.68	488
San Jose Redevelopment Agency Successor Agency 1.8	798170AA4	12/21/2017	2,500,000	2,499,800	2,500,000	2,500,000	None	AA	1.90	123
San Jose Redevelopment Agency Successor Agency 2.0	798170AB2	12/21/2017	2,270,000	2,263,644	2,270,000	2,270,000	None	AA	2.10	488
Successor Agency to the Redevelopment Agency of th	79730WBF6	2/9/2017	2,000,000	1,992,160	1,997,710	1,991,540	None	AA	1.53	154
San Francisco City & Cnty CA Redevelopment Age	79770GGM2	11/30/2017	1,500,000	1,484,400	1,498,279	1,498,035	None	AA-	2.05	854
San Francisco City & Cnty CA Redevelopment Age	79770GKG6	11/30/2017	1,000,000	998,870	1,000,066	1,000,130	None	AA-	1.60	123
Santee CDC Successor Agency 1.5 8/1/2018	802862AV4	11/8/2016	1,000,000	996,570	1,000,830	1,004,260	None	AA	1.25	123
Highland Redevelopment Agency Successor Agency 2 2	430034AV0	9/7/2017	810,000	790,115	806,902	806,290	None	AA+	2.14	1038
Santa Cruz County Redevelopment Successor Agency 2	80182YCR6	8/3/2017	760,000	746,069	760,000	760,000	None	AA	2.01	885
Contra Costa County Redevelopment Successor Agency 2	212263AQ0	8/16/2017	750,000	733,823	746,522	745,598	None	AA	1.96	854
University Calif Rev Bond 1.796 7/1/2019	91412GSB2	10/16/2015	500,000	497,805	500,881	502,610	Aa2	AA	1.65	457
Santa Cruz County Redevelopment Successor Agency 1	80182YCC8	8/3/2017	475,000	469,561	475,000	475,000	None	AA	1.61	519
Yorba Linda Redevelopment Agency Successor Agency	986176AR6	9/1/2017	365,000	353,503	364,090	363,971	None	AA-	2.31	1615

Description	CUSIP	Settlement Date	Face Amount Shares	Market Value	Book Value	Cost Value	Moody's	S&P	YTM @ Cost	Days To Maturity
Yorba Linda Redevelopment Agency Successor Agency	986176AM7	8/24/2017	295,000	294,419	294,999	294,997	None	AA-	1.50	154
Yorba Linda Redevelopment Agency Successor Agency	986176AP0	8/24/2017	235,000	230,084	234,723	234,655	None	AA-	1.80	885
Alameda County Improvement Commission Successor Ag	010775BA1	6/7/2017	225,000	219,490	223,639	223,182	None	AA-	2.26	885
Subtotal/Average			24,825,000	24,685,465	24,824,485	24,823,650				
LAIF Local Government Investment Pool										
LAIF LGIP	LGIP1001	6/30/2011	17,351,800	17,351,800	17,351,800	17,351,800	NR	NR	1.41	1
Subtotal/Average			17,351,800	17,351,800	17,351,800	17,351,800				
CAMP CA Asset Mgmt Program										
CAMP MM	CAMP6035	5/9/2014	374,296	374,296	374,296	374,296	NR	AAA	1.62	1
Subtotal/Average			374,296	374,296	374,296	374,296				
Money Market Mutual Funds										
Federated MM	MM3767	1/9/2018	21,217	21,217	21,217	21,217	Aaa	AAA	1.57	1
Subtotal/Average			21,217	21,217	21,217	21,217				
Total/Average			573,589,019	569,466,700	573,131,196	572,782,086				



EAST BAY MUNICIPAL UTILITY DISTRICT
Portfolio Management
Portfolio Details by Fund - Investments
March 31, 2018

Description	CUSIP	Settlement Date	Face Amount Shares	Market Value	Book Value	Cost Value	Moody's	S&P	YTM @ Cost	Days To Maturity
Wastewater:										
Federal Agency Issues Coupon										
FNMA 1.03 10/26/2018	3136G2PN1	10/26/2015	5,000,000	4,971,400	5,000,000	5,000,000	Aaa	AA+	1.03	209
FNMA 0.875 5/21/2018	3135G0WJ8	6/27/2017	4,378,000	4,372,922	4,375,801	4,363,859	Aaa	AA+	1.24	51
FHLMC 1.75 5/30/2019	3137EADG1	6/29/2017	3,000,000	2,986,020	3,013,949	3,022,974	Aaa	AA+	1.34	425
FNMA 1.625 11/27/2018	3135G0YT4	6/27/2017	3,000,000	2,992,230	3,006,493	3,013,956	Aaa	AA+	1.29	241
FHLMC Step 7/14/2020-16	3134G9J81	7/14/2016	2,500,000	2,465,000	2,500,000	2,500,000	Aaa	AA+	1.52	836
FHLMC Step 6/30/2020-16	3134G9YE1	6/30/2016	2,425,000	2,409,941	2,424,727	2,424,515	Aaa	AA+	1.74	822
FHLB 0.95 5/24/2018-16	3133834Z1	7/12/2017	2,000,000	1,997,560	1,999,146	1,995,000	Aaa	AA+	1.24	54
FHLMC Step 8/24/2021-17	3134G92Q9	8/24/2016	2,000,000	1,986,160	1,999,864	1,999,800	Aaa	AA+	2.37	1242
FNMA 0.9 7/13/2018-17	3135G0M42	7/13/2016	2,000,000	1,994,700	2,000,000	2,000,000	Aaa	AA+	0.90	104
FNMA 1.625 11/27/2018	3135G0YT4	6/27/2017	2,000,000	1,994,820	2,004,392	2,009,440	Aaa	AA+	1.29	241
FHLB 1 5/23/2018-17	3130A86F5	5/23/2016	1,860,000	1,857,917	1,860,000	1,860,000	Aaa	AA+	1.00	53
FHLB Step 7/27/2020-17	3130A8RH8	7/27/2016	1,500,000	1,477,725	1,499,826	1,499,700	Aaa	AA+	1.62	849
FHLMC 1.2 5/23/2019-16	3134GAAR5	8/23/2016	1,500,000	1,480,245	1,500,000	1,500,000	Aaa	AA+	1.20	418
FHLMC 1.3 8/28/2019-16	3134GAFY5	8/30/2016	1,500,000	1,478,820	1,500,000	1,500,000	Aaa	AA	1.30	515
FHLMC Step 7/26/2019-17	3134G9J24	7/26/2016	1,500,000	1,494,300	1,499,934	1,499,850	Aaa	AA+	1.50	482
FHLMC 1 8/28/2018-16	3134GACY8	8/30/2016	1,300,000	1,295,255	1,300,000	1,300,000	Aaa	AA+	1.00	150
FHLMC Step 6/28/2019-16	3134G9YQ4	6/28/2016	1,150,000	1,144,319	1,149,881	1,149,713	Aaa	AA+	1.58	454
FNMA Step 7/26/2019-17	3136G3F67	7/26/2016	1,000,000	996,940	1,000,000	1,000,000	Aaa	AA+	1.46	482
FNMA Step 7/28/2021-17	3136G3T96	7/28/2016	1,000,000	978,880	1,000,000	1,000,000	Aaa	AA+	1.69	1215
FHLB Step 5/10/2021-17	3130A9VX6	10/16/2017	930,000	909,940	923,492	922,541	Aaa	AA+	2.03	1136
FNMA 1.03 5/21/2018-14	3135G0XA6	10/10/2017	905,000	904,158	904,648	903,462	Aaa	AA+	1.31	51
FHLB 1.33 11/22/2019-17	3130AA2X5	9/27/2017	750,000	736,800	746,513	745,440	Aaa	AA+	1.62	601
FNMA 1.25 6/28/2019-16	3135G0K93	10/2/2017	720,000	709,898	717,164	716,040	Aaa	AA+	1.57	454
FNMA 1.28 5/24/2019-16	3136G3BK0	1/11/2018	699,000	691,863	693,772	692,786	Aaa	AA+	1.94	419
FFCB 0.93 4/13/2018-16	3133EFJM0	10/17/2017	662,000	661,828	661,918	660,875	Aaa	AA+	1.28	13
FHLMC 1 5/25/2018-16	3134G9KU0	7/11/2017	600,000	599,274	599,761	598,620	Aaa	AA+	1.27	55
FHLMC Step 8/24/2021-17	3134GAAJ3	8/24/2016	600,000	594,528	599,796	599,700	Aaa	AA+	2.09	1242
FNMA 1.375 12/27/2019-13	3136G15Z8	10/2/2017	536,000	527,788	533,493	532,784	Aaa	AA+	1.65	636
FAMC 1.55 9/6/2018	31315PQC6	9/18/2017	500,000	499,430	500,450	501,000	Aaa	AA+	1.34	159
FAMC 1.875 9/5/2018	31315P2G3	9/18/2017	500,000	500,155	501,145	502,550	Aaa	AA+	1.34	158
FFCB 1.12 2/22/2019-17	3133EFC70	10/18/2017	500,000	495,360	497,883	496,825	Aaa	AA+	1.60	328
FFCB 1.35 5/2/2019	3133EHHN6	9/18/2017	500,000	495,695	499,567	499,355	Aaa	AA+	1.43	397
FHLB 1.15 11/27/2018-13	313382CU5	12/12/2017	500,000	497,070	498,100	497,240	Aaa	AA+	1.73	241

Description	CUSIP	Settlement Date	Face Amount Shares	Market Value	Book Value	Cost Value	Moody's	S&P	YTM @ Cost	Days To Maturity
FHLMC 1.3/29/2019-16	3134G9B97	10/18/2017	500,000	493,240	497,055	495,725	Aaa	AA+	1.60	363
FHLMC 1.05 11/28/2018-17	3134GAWM2	6/30/2017	500,000	496,720	498,856	497,560	Aaa	AA+	1.40	242
FHLMC 1.08 5/24/2019-18	3134G9NH6	10/18/2017	500,000	493,700	496,946	495,750	Aaa	AA+	1.62	419
FHLMC 1.4 5/28/2020-17	3134GAYM0	7/10/2017	500,000	488,040	496,523	495,360	Aaa	AA+	1.73	789
FNMA 0.875 5/21/2018	3135G0WJ8	3/13/2018	500,000	499,420	499,420	499,215	Aaa	AA+	1.70	51
FNMA 1.03 5/21/2018-14	3135G0XA6	2/2/2018	500,000	499,535	499,601	499,155	Aaa	AA+	1.59	51
FNMA 1.15 9/30/2019-17	3136G4CZ4	10/18/2017	500,000	491,810	496,383	495,300	Aaa	AA+	1.64	548
FHLB 1.01 4/25/2018-13	313382Q22	9/18/2017	450,000	449,780	449,914	449,250	Aaa	AA+	1.29	25
FHLB 2 11/21/2019	313376H24	1/23/2018	450,000	447,120	449,215	449,127	Aaa	AA+	2.11	600
FHLMC Step 8/27/2019-17	3134G97C5	8/30/2016	440,000	437,703	439,783	439,538	Aaa	AA+	1.67	514
FHLMC 1.3 5/24/2019-16	3134G9MU8	6/29/2017	400,000	395,836	399,263	398,780	Aaa	AA+	1.46	419
FHLMC 1 11/23/2018-17	3134G8LV9	12/12/2017	370,000	367,688	368,391	367,651	Aaa	AA+	1.68	237
FHLMC Step 5/9/2022-17	3134GBJH6	7/11/2017	355,000	350,623	354,094	353,935	Aaa	AA+	1.98	1500
FNMA 1.4 11/25/2019-17	3136G4GU1	6/28/2017	350,000	345,069	349,279	348,950	Aaa	AA+	1.53	604
FFCB 2.5 11/19/2018	31331J2U6	10/17/2017	318,000	319,285	320,051	321,504	Aaa	AA+	1.48	233
FFCB 1.12 5/3/2019-17	3133EGD77	9/28/2017	300,000	296,394	298,534	297,856	Aaa	AA+	1.58	398
FNMA 1.16 10/29/2018-16	3135G0F40	9/19/2017	300,000	298,479	299,722	299,469	Aaa	AA+	1.32	212
FHLB 1 8/24/2018-17	3130A7XP5	10/13/2017	290,000	288,881	289,499	288,919	Aaa	AA+	1.44	146
FHLB 1.1 11/28/2018-16	3130A7YG4	9/27/2017	250,000	248,445	249,483	249,088	Aaa	AA+	1.42	242
FHLB 1.6 10/23/2019-18	3130ACHR8	10/23/2017	250,000	247,110	249,726	249,650	Aaa	AA+	1.67	571
FHLB 1.5 11/9/2021-17	3130A9Z61	7/10/2017	235,000	226,216	231,769	231,123	Aaa	AA+	1.90	1319
FFCB 1.34 11/30/2018-16	3133EFRH2	11/8/2017	200,000	199,082	199,782	199,654	Aaa	AA+	1.51	244
FNMA Step 5/18/2020-18	3136G3ME2	9/18/2017	200,000	199,566	199,520	199,400	Aaa	AA+	1.95	779
FHLB 1.07 11/26/2018-17	3130A7XG5	6/29/2017	155,000	154,017	154,719	154,398	Aaa	AA+	1.35	240
FFCB 1.7 5/3/2021-17	3133EF5T0	7/11/2017	150,000	145,875	149,148	148,950	Aaa	AA+	1.89	1129
FHLB 1.125 10/10/2018-13	313382N90	10/2/2017	150,000	149,318	149,783	149,582	Aaa	AA+	1.40	193
FFCB 0.97 11/1/2018-17	3133EGA70	7/6/2017	145,000	144,220	144,677	144,275	Aaa	AA+	1.35	215
FHLMC 1.3 11/27/2019-17	3134GAWD2	11/14/2017	135,000	132,647	133,841	133,579	Aaa	AA+	1.83	606
FAMC 1.5 5/15/2019	3132X0QX2	9/20/2017	100,000	99,251	99,993	99,989	Aaa	AA+	1.51	410
FFCB 1.06 11/19/2018-16	3133EGBE4	12/21/2017	100,000	99,479	99,563	99,375	Aaa	AA+	1.75	233
FFCB 1.19 12/28/2018-16	3133EFT49	6/30/2017	100,000	99,344	99,809	99,617	Aaa	AA+	1.45	272
FHLB 1 10/29/2018-15	313382S95	9/20/2017	100,000	99,417	99,777	99,576	Aaa	AA+	1.39	212
FHLB 1.125 9/20/2018-13	313382DS9	9/20/2017	100,000	99,592	99,872	99,731	Aaa	AA+	1.40	173
FHLMC 1.3 7/16/2018-17	3134G3YV6	9/18/2017	100,000	99,834	99,985	99,957	Aaa	AA+	1.35	107
FNMA 2.47 5/23/2018-11	3136FPXQ5	7/6/2017	100,000	100,095	100,137	100,831	Aaa	AA+	1.52	53
Subtotal/Average			59,608,000	59,201,770	59,575,828	59,559,840				
LAIF Local Government Investment Pool										
LAIF LGIP	LGIP1001	6/30/2011	21,021,100	21,021,100	21,021,100	21,021,100	NR	NR	1.41	1
Subtotal/Average			21,021,100	21,021,100	21,021,100	21,021,100				

Description	CUSIP	Settlement Date	Face Amount Shares	Market Value	Book Value	Cost Value	Moody's	S&P	YTM @ Cost	Days To Maturity
Municipal Bonds										
University Calif Rev Bond 1.296 5/15/2018	91412GPZ2	10/13/2015	2,425,000	2,423,181	2,425,960	2,445,152	Aa2	AA	0.97	45
Los Angeles County Redevelopment 1 9/1/2018	54465AGJ5	8/25/2016	2,000,000	1,991,260	1,999,891	1,999,480	Aa3	AA	1.01	154
Culver City Redevelopment Agency Successor Agency	230340AM3	12/4/2017	780,000	766,724	777,848	777,582	None	AA-	2.11	946
Anaheim Redevelopment Agency Successor Agency 2.22	032564AN6	1/25/2018	700,000	699,748	700,000	700,000	None	AA-	2.22	307
Successor Agency to the Redevelopment Agency of th	79730WBG4	2/9/2017	520,000	514,150	517,842	516,116	None	AA	1.93	519
Brea CA Redevelopment Agency Successor Agency 2 8/1	106293CE1	11/1/2017	340,000	334,723	339,841	339,813	None	AA-	2.02	854
Fontana Redevelopment Agency Successor Agency 1.625	34461CAW4	12/6/2017	300,000	296,706	299,224	299,061	None	AA	1.80	549
Poway Redevelopment Agency Successor Agency 1.78 6	738798BG1	9/18/2017	290,000	289,864	290,272	290,966	None	AA-	1.33	76
Palm Springs CA Cmnty Redevelopment Agency Success	69667ABR6	11/15/2017	285,000	280,822	284,662	284,610	None	AA-	2.05	885
Palm Springs CA Cmnty Redevelopment Agency Success	69667ABS4	11/15/2017	135,000	131,205	133,460	133,292	None	AA-	2.35	1250
Fontana Redevelopment Agency Successory Agency 1.5	34461CAV6	12/6/2017	125,000	124,683	124,949	124,918	None	AA	1.58	184
Brea CA Redevelopment Agency Successor Agency 1.62	106293CD3	11/1/2017	100,000	99,002	99,848	99,801	None	AA-	1.74	488
Lake Elsinore Redevelopment Agency Successor Agenc	86459BQ4	3/20/2018	100,000	99,902	99,846	99,841	AA	None	2.42	335
Palm Springs CA Cmnty Redevelopment Agency Success	69667ABP0	11/15/2017	100,000	99,799	99,966	99,936	None	AA-	1.58	154
Lynwood Unified School District 2 8/1/2019	551800GG4	9/18/2017	75,000	74,539	75,334	75,467	None	AA-	1.66	488
Subtotal/Average			8,275,000	8,226,308	8,268,941	8,286,033				
Medium Term Notes										
Microsoft Corp 1.3 11/3/2018	594918BF0	1/24/2018	775,000	770,823	772,183	771,327	Aaa	AAA	1.92	217
The Coca Cola Co 1.375 5/30/2019	191216BV1	2/12/2018	750,000	740,760	743,321	742,583	Aa3	AA-	2.15	425
Apple Inc. 1 5/3/2018	037833AJ9	10/4/2017	517,000	516,483	516,822	515,863	Aa1	AA+	1.38	33
Subtotal/Average			2,042,000	2,028,066	2,032,326	2,029,772				
CAMP CA Asset Mgmt Program										
CAMP MM	CAMP6035	8/19/2016	88,696	88,696	88,696	88,696	NR	AAA	1.62	1
Subtotal/Average			88,696	88,696	88,696	88,696				
Total/Average			91,034,796	90,565,940	90,986,892	90,985,441				



EAST BAY MUNICIPAL UTILITY DISTRICT
Portfolio Management
Portfolio Details by Fund - Investments
March 31, 2018

Description	CUSIP	Settlement Date	Face Amount Shares	Market Value	Book Value	Cost Value	Moody's	S&P	YTM @ Cost	Days To Maturity
JPA:										
BACWA										
LAIF LGIP										
FHLMC 1.2 5/23/2019-16	LGIP1001	6/30/2011	2,262,600	2,262,600	2,262,600	2,262,600	NR	NR	1.41	1
FNMA Step 5/18/2020-18	3134GAAR5	2/1/2017	300,000	296,049	299,417	298,827	Aaa	AA+	1.37	418
FNMA 1.1 10/29/2018-16	3136G3ME2	9/18/2017	300,000	299,349	299,279	299,100	Aaa	AA+	1.95	779
FHLMC 1.1 5/23/2018-17	3135G0G64	10/30/2015	165,000	164,107	165,000	165,000	Aaa	AA+	1.10	212
	3130A86F5	2/1/2017	140,000	139,843	140,007	140,060	Aaa	AA+	0.97	53
Subtotal/Average			3,167,600	3,161,949	3,166,303	3,165,587				
FRWA										
LAIF LGIP - FRWA	LGIP1001	6/30/2011	2,150,000	2,150,000	2,150,000	2,150,000	NR	NR	1.41	1
Subtotal/Average			2,150,000	2,150,000	2,150,000	2,150,000				
IICP										
LAIF LGIP - ICP	LGIP1001	6/30/2011	150,500	150,500	150,500	150,500	NR	NR	1.41	1
Subtotal/Average			150,500	150,500	150,500	150,500				
UMRWA										
LAIF LGIP - UMRWA	LGIP1001	6/30/2011	64,000	64,000	64,000	64,000	NR	NR	1.41	1
Subtotal/Average			64,000	64,000	64,000	64,000				



EAST BAY MUNICIPAL UTILITY DISTRICT
Portfolio Management
Portfolio Details by Fund - Investments
March 31, 2018

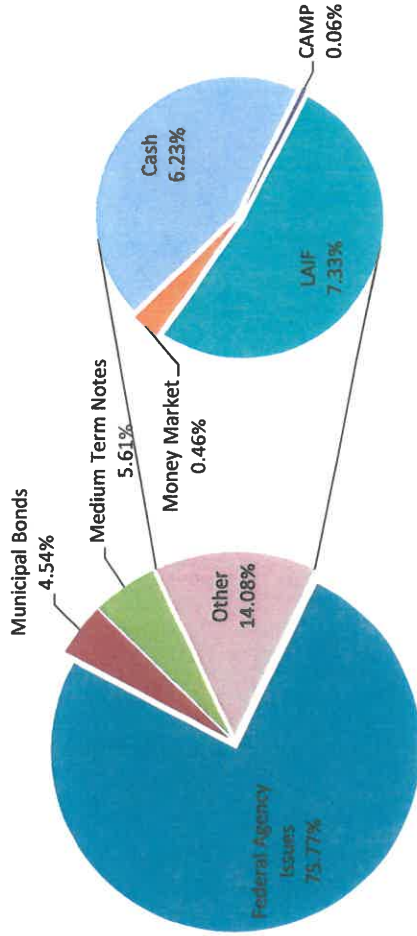
Description	CUSIP	Settlement Date	Face Amount Shares	Market Value	Book Value	Cost Value	Moody's	S&P	YTM @ Cost	Days To Maturity
Other:										
Employee Retirement System										
LAIF LGIP - Retirement	LGIP1005	6/30/2011	8,507,380	8,507,380	8,507,380	8,507,380	NR	NR	1.41	1
Subtotal/Average			8,507,380	8,507,380	8,507,380	8,507,380				
FERC										
LAIF LGIP - FERC	LGIP1001	6/30/2011	2,000,000	2,000,000	2,000,000	2,000,000	NR	NR	1.41	1
Subtotal/Average			2,000,000	2,000,000	2,000,000	2,000,000				
DSRF Water 2008A										
Dreyfus MM	MM6999	6/30/2011	3,299,352	3,299,352	3,299,352	3,299,352	Aaa	AAA	1.35	1
Subtotal/Average			3,299,352	3,299,352	3,299,352	3,299,352				
DSRF Water 2010A										
FNMA 1 6/27/2018	3136G16F1	12/27/2012	335,000	335,000	335,000	335,000	Aaa	AA+	1.00	270
Dreyfus MM	MM2642	6/30/2011	7,110	7,110	7,110	7,110	Aaa	AAA	1.35	1
Subtotal/Average			342,110	342,110	342,110	342,110				
Cash										
Wells Fargo	CASH2017	4/1/2017	45,445,974	45,445,974	45,445,974	45,445,974	NR	NR	0.30	1
Subtotal/Average			45,445,974	45,445,974	45,445,974	45,445,974				



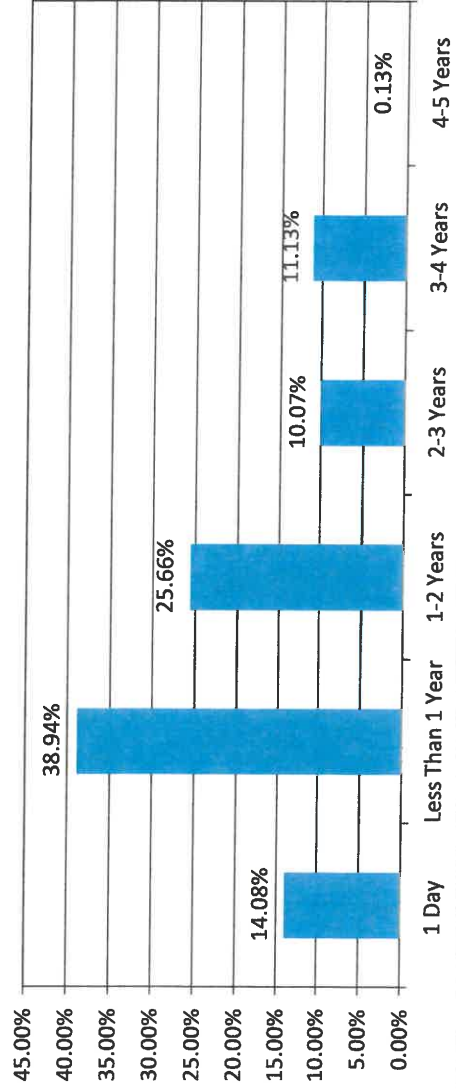
EAST BAY MUNICIPAL UTILITY DISTRICT
Investment Portfolio
Yield and Composition - by Asset Class
March 31, 2018

ATTACHMENT B-1

Portfolio Holding Distribution by Asset Class



Portfolio Holdings Distribution by Maturity Range



Ratings & Amounts

Agency Bonds

FAMC	AA+	1,719,000
FFCB	AA+	74,563,000
FHLB	AA+	101,749,706
FHLMC	AA+	227,003,000
FNMA	AA+	147,941,000

Municipal Bonds

Municipal	AAA category	-
Municipal	AA category	33,100,000

Corporate Bonds

Corporate	AAA category	11,184,000
Corporate	AA category	29,747,000

Overnight Liquidity

CAMP	AAAmf	462,992
MMF	AAAmf	3,327,679
LAIF	N/A	53,507,380
Cash	N/A	45,445,974

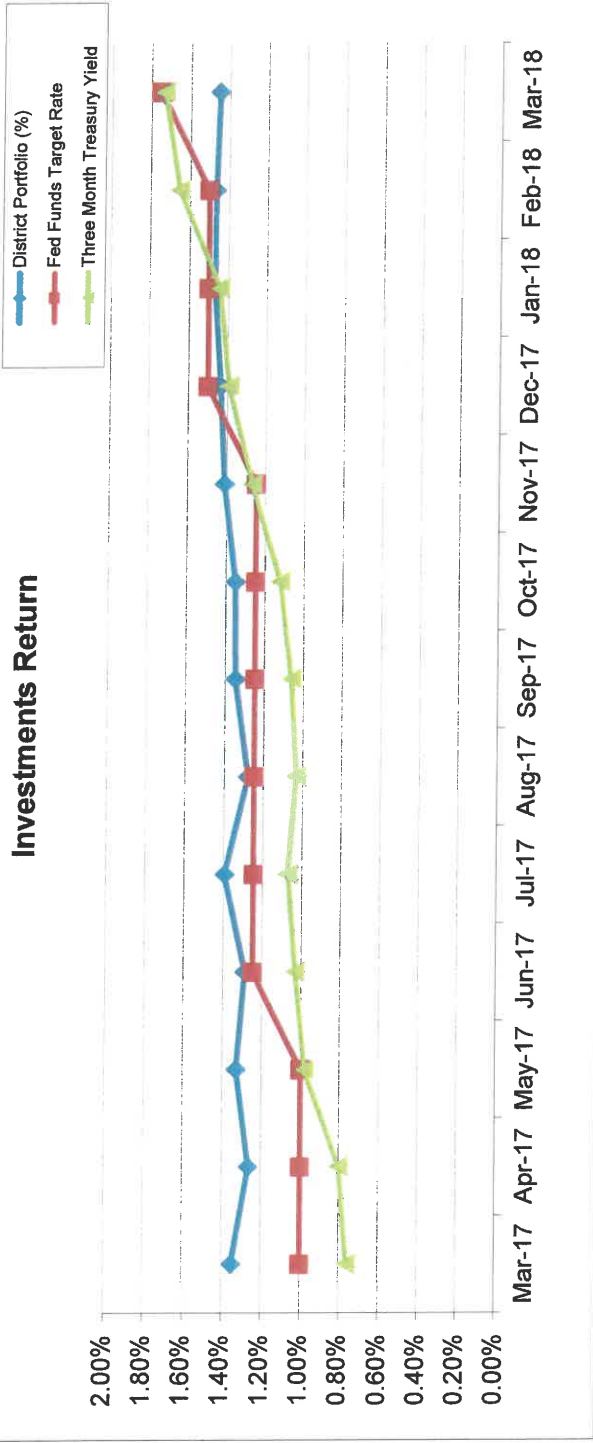
\$ 729,750,731



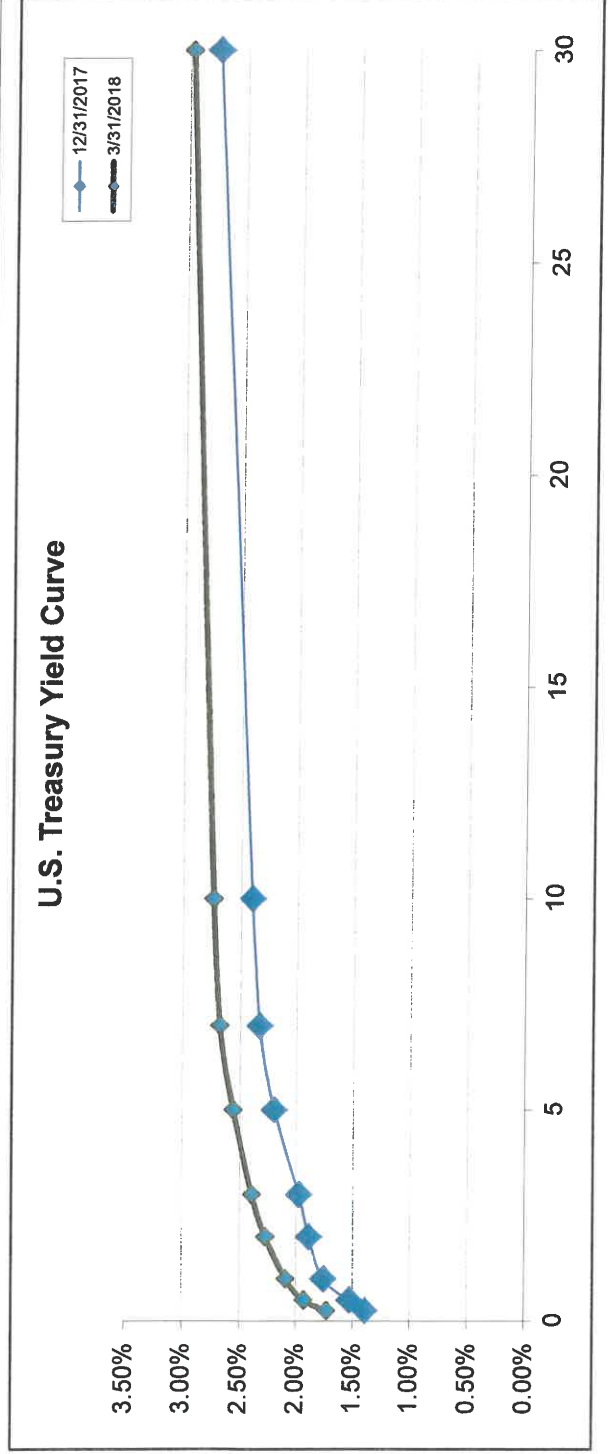
EAST BAY MUNICIPAL UTILITY DISTRICT
Investment Portfolio
Yield and Composition of Investment Portfolio
March 31, 2018

ATTACHMENT B-2

Investments Return



U.S. Treasury Yield Curve





EAST BAY MUNICIPAL UTILITY DISTRICT
Investment Portfolio
Yield and Composition of Investment Portfolio
March 31, 2018

ATTACHMENT B-3

Projected Cash Flow (in \$Millions)

Water System

Month End	Matured Investments	Projected			Matured Reinvested
		Receipts	Disbursements	Cash & Investments	
Mar-18				599.2	
Apr-18	13.7	36.2	63.0	572.4	13.7
May-18	86.0	39.1	157.6	453.8	86.0
Jun-18	0.7	58.9	51.7	461.0	0.7
Jul-18	8.8	49.9	42.0	469.0	8.8
Aug-18	4.9	53.4	42.0	480.3	4.9
Sep-18	5.7	53.5	42.0	491.8	5.7

Wastewater System

Month End	Matured Investments	Projected			Matured Reinvested
		Receipts	Disbursements	Cash & Investments	
Mar-18				115.9	
Apr-18	1.1	8.3	16.4	107.8	1.1
May-18	13.8	8.3	29.6	86.5	13.8
Jun-18	0.3	24.1	9.9	100.6	0.3
Jul-18	2.1	8.7	10.2	99.1	2.1
Aug-18	1.6	8.7	10.2	97.6	1.6
Sep-18	3.2	8.7	10.2	96.1	3.2

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: April 19, 2018

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager *ARC*

FROM: Sophia D. Skoda, Director of Finance *SDS*

SUBJECT: Monthly Investment Transactions Reports

SUMMARY

In accordance with Board Resolution No. 30127 and Policy 4.07 – Investment Policy, staff presents a monthly transactions report for the Finance/Administration Committee to review and for the Board to consider each month. The February and March 2018 reports are being submitted for Board consideration. This item will be reviewed with the Finance/Administration Committee on April 24, 2018.

DISCUSSION

Pursuant to Policy 4.07 – Investment Policy, staff produces a monthly report of investment transactions generated by Treasury staff (buys, sales, deposits, withdrawals) as well as transactions that occur as a feature of the securities held (interest, calls, maturities). Information on portfolio performance, balances, and other factors are presented in the quarterly investment report.

In February, the portfolio decreased from \$741.5 million to \$738.8 million. Net transactions decreased the total by \$3.1 million and interest received added \$0.4 million. Deposits into short-term liquidity funds totaled \$21.1 million and \$32.8 million was withdrawn. Securities purchased totaled \$5.7 million. No securities were sold, \$7.9 million of securities matured, and no securities were called. Net transactions at the District's commercial bank resulted in an increase of \$10.7 million.

In March, the portfolio decreased from \$738.8 million to \$729.8 million. Net transactions decreased the total by \$9.2 million and interest received added \$0.2 million. Deposits into short-term liquidity funds totaled \$10.6 million and \$39.0 million was withdrawn. Securities purchased totaled \$4.9 million. No securities were sold, \$0.1 million of securities matured, and no securities were called. Net transactions at the District's commercial bank resulted in an increase of \$14.3 million.

Monthly Investment Transactions Reports
Finance/Administration Committee
April 19, 2018
Page 2

This item supports the District's Long-Term Financial Stability Strategic Plan goal to ensure integrity, accountability and transparency in financial management.

ARC:DSK:RL

Attachments

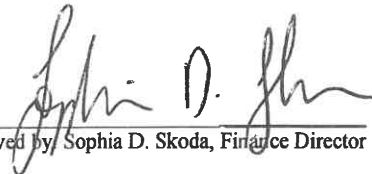
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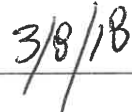
Monthly Investment Transactions Report
February 2018

This report is presented to the Board pursuant to Government Code Section 53607 and in accordance with the District's Investment Policy 4.07.

The attached report details transactions in the District's portfolio as follows:

- **Monthly Investment Transactions Summary** **Page 1**
- **Monthly Investment Activity** **Page 2**
 - Buys **Page 3**
 - Deposits **Page 4**
 - Matured **Page 5**
 - Calls **Page 6**
 - Sales **Page 7**
 - Withdrawals **Page 8**
- **Monthly Interest Activity** **Page 9**
 - Interest Received (Transferred to Wells Fargo) **Page 10**
 - Interest Received (Reinvested) **Page 11**


Approved by: Sophia D. Skoda, Finance Director


Date

SDS:DSK:MH



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Transactions Summary
February 2018

Portfolio	Beginning Balance*	Monthly Net Transaction Activity	Monthly Interest Activity	Ending Balance
001 - Water System Consolidated	598,529,082.36	(4,215,000.00)	10,130.54	594,324,212.90
007 - Wastewater Consolidated	94,478,597.09	1,041,000.00	10,427.06	95,530,024.15
049 - Ferc Partnership	2,000,000.00	-	-	2,000,000.00
009 - BACWA	3,167,600.00	-	-	3,167,600.00
015 - DERWA	-	-	-	-
002 - FRWA	2,150,000.00	-	-	2,150,000.00
014 - IICP	150,500.00	-	-	150,500.00
010 - UMRWA	64,000.00	-	-	64,000.00
003 - Employees Retirement	17,508,380.47	(10,694,000.00)	-	6,814,380.47
065 - Water S2008A DSRF	3,294,448.81	-	2,523.80	3,296,972.61
068 - Water 2010A DSRF	342,099.48	-	5.43	342,104.91
099 - Wells Fargo**	19,862,930.37	10,720,905.42	370,425.43	30,954,261.22
Total	741,547,638.58	(3,147,094.58)	393,512.26	738,794,056.26

* Portfolio balance presented at face value.

**Wells Fargo's month-end available balance per bank statement. Gross amount; not allocated by fund and not included in balances above.

<p><i>Matt Houck</i></p> <p>Prepared by: Matt Houck, Accounting Technician</p>	<p><i>Sandy Lindley</i></p> <p>Reviewed by: Sandy Lindley, Accounting Supervisor</p>
<p><i>D. Scott Klein</i></p> <p>Approved by: D. Scott Klein, Controller</p>	<p><i>3/7/18</i></p> <p>Date</p>



* Non-investment transactions are net receipts and expenditures in Wells Fargo resulting from activities other than investment and interest transactions detailed in this report.

03/08/18



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
February 2018

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Buys										
001 - Water System Consolidated	Medium Term Notes	Apple Inc. 1 5/3/2018	037833AJ9	02/06/2018	02/08/2018	05/03/2018	1,135,000.00	1,133,308.85	2,985.14	1,136,303.99
001 - Water System Consolidated	Federal Agency Issues Coupon	FHLMC Step 4/4/2019-17	3134G8TL3	02/08/2018	02/09/2018	04/04/2019	1,000,000.00	998,750.00	4,340.28	1,003,090.28
001 - Water System Consolidated	Federal Agency Issues Coupon	FNMA 1.825 11/27/2018	3135G0YT4	02/08/2018	02/09/2018	11/27/2018	1,000,000.00	997,700.00	3,250.00	1,000,950.00
001 - Water System Consolidated	Medium Term Notes	The Coca Cola Co 1.375 5/30/2019	191216BV1	02/08/2018	02/12/2018	05/30/2019	1,350,000.00	1,338,419.00	3,712.50	1,340,131.50
					Sub Total		4,485,000.00			
007 - Wastewater Consolidated	Federal Agency Issues Coupon	FNMA 1.03 5/21/2018-14	3135G0XA6	02/01/2018	02/02/2018	05/21/2018	500,000.00	498,155.00	1,015.69	500,170.69
007 - Wastewater Consolidated	Medium Term Notes	The Coca Cola Co 1.375 5/30/2019	191216BV1	02/08/2018	02/12/2018	05/30/2019	750,000.00	742,582.50	2,062.50	744,645.00
					Sub Total		1,250,000.00			
							5,735,000.00	5,707,915.35	17,378.11	5,725,291.46



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
February 2018

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Deposits										
001 - Water System Consolidated	CAMP CA Asset Mgmt Program	CAMP MM	CAMP6035	02/05/2018	02/05/2018	N/A	10,000,000.00	10,000,000.00	0.00	10,000,000.00
001 - Water System Consolidated	Money Market Mutual Funds	Federated MM	MM3767	02/05/2018	02/05/2018	N/A	4,000,000.00	4,000,000.00	0.00	4,000,000.00
003 - Employees Retirement	LAIF Local Government Investment Pool	LAIF LGIP	LGIP1005	02/22/2018	Sub Total	N/A	14,000,000.00			
003 - Employees Retirement	LAIF Local Government Investment Pool	LAIF LGIP	LGIP1005	02/08/2018	02/22/2018	N/A	3,541,000.00	3,541,000.00	0.00	3,541,000.00
				02/08/2018	02/08/2018	N/A	3,539,000.00	3,539,000.00	0.00	3,539,000.00
					Sub Total		7,080,000.00			
							21,080,000.00	21,080,000.00	0.00	21,080,000.00



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
February 2018

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Matured										
001 - Water System Consolidated	Federal Agency Issues (FHLMC 1.05 2/26/2018-16		3134G8L98	02/26/2018	02/26/2018	02/26/2018	700,000.00	700,000.00	0.00	700,000.00
001 - Water System Consolidated	Federal Agency Issues (FNMA 1.05 2/27/2018-15		3136G1DG1	02/27/2018	02/27/2018	02/27/2018	2,000,000.00	2,000,000.00	0.00	2,000,000.00
001 - Water System Consolidated	Federal Agency Issues (FNMA 1.05 2/27/2018-15		3136G1DG1	02/27/2018	02/27/2018	02/27/2018	5,000,000.00	5,000,000.00	0.00	5,000,000.00
					Sub Total		7,700,000.00			
007 - Wastewater Consolidated	Federal Agency Issues (FHLMC 1.1 2/28/2018-14		3134G3G20	02/28/2018	02/28/2018	02/28/2018	209,000.00	209,000.00	0.00	209,000.00
					Sub Total		209,000.00			
								7,909,000.00	0.00	7,909,000.00



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
February 2018

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Calls										

*No Transaction this Period

0.00	0.00	0.00	0.00	0.00
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EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
February 2018

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Sales										

*No Transaction this Period

0.00	0.00	0.00	0.00
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EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
February 2018

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Withdrawals										
001 - Water System Consolidated	CAMP CA Asset Mgmt Program	CAMP MM	CAMP6035	02/20/2018	02/20/2018	N/A	15,000,000.00	15,000,000.00	0.00	15,000,000.00
003 - Employees Retirement	LAIF Local Government Investment Pool	LAIF LGIP	LGIP1005	02/26/2018	02/26/2018	N/A	8,907,000.00	8,907,000.00	0.00	8,907,000.00
003 - Employees Retirement	LAIF Local Government Investment Pool	LAIF LGIP	LGIP1005	02/01/2018	02/01/2018	N/A	8,867,000.00	8,867,000.00	0.00	8,867,000.00
				Sub Total	Sub Total		17,774,000.00			
							32,774,000.00	32,774,000.00	0.00	32,774,000.00






EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Interest Activity
February 2018

Portfolio	Total Interest Received	Interest Transferred to Wells Fargo*	Net Interest Activity (Reinvested)**
001 - Water System Consolidated	337,275.22	(327,144.68)	10,130.54
007 - Wastewater Consolidated	53,707.81	(43,280.75)	10,427.06
049 - Ferc Partnership	-	-	-
009 - BACWA	-	-	-
015 - DERWA	-	-	-
002 - FRWA	-	-	-
014 - IICP	-	-	-
010 - UMRWA	-	-	-
003 - Employees Retirement	-	-	-
065 - Water S2008A DSRF	2,523.80	-	2,523.80
068 - Water 2010A DSRF	5.43	-	5.43
Interest Transactions Total	393,512.26	(370,425.43)	23,086.83
099 - Wells Fargo	-	370,425.43	370,425.43
Total	393,512.26	-	393,512.26

*Coupon and other interest received; reinvestment unavailable.

**Coupon and other interest payments reinvested in specific portfolio.

	<u>3/7/2018</u>
Prepared by: Matt Houck, Accounting Technician	Date
	<u>3/7/18</u>
Reviewed by: Sandy Lindley, Accounting Supervisor	Date
	<u>3/7/18</u>
Approved by: D. Scott Klein, Controller	Date



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Interest Activity
February 2018

Portfolio Name		Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Amount/Shares	Face	Principal	Interest/Dividends	Total
Interest Received (Transferred to Wells Fargo)												
001 - Water System Consolidated	Municipal Bonds		Contra Costa County Redevelopment Agency Success	212263AQ0	02/01/2018	02/01/2018	08/01/2020	0.00	0.00	0.00	6,015.62	6,015.62
001 - Water System Consolidated	Municipal Bonds		Highland Redevelopment Agency Success	400034AV0	02/01/2018	02/01/2018	02/01/2021	0.00	0.00	0.00	6,480.00	6,480.00
001 - Water System Consolidated	Municipal Bonds		San Francisco City & Cnty CA Redevelop	7970GGK6	02/01/2018	02/01/2018	08/01/2018	0.00	0.00	0.00	2,753.47	2,753.47
001 - Water System Consolidated	Municipal Bonds		San Francisco City & Cnty CA Redevelop	7970GGM2	02/01/2018	02/01/2018	08/01/2018	0.00	0.00	0.00	5,083.33	5,083.33
001 - Water System Consolidated	Municipal Bonds		San Jose Redevelopment Agency Success	798170AA4	02/01/2018	02/01/2018	08/01/2018	0.00	0.00	0.00	5,272.22	5,272.22
001 - Water System Consolidated	Municipal Bonds		San Jose Redevelopment Agency Success	798170AB2	02/01/2018	02/01/2018	08/01/2019	0.00	0.00	0.00	5,291.62	5,291.62
001 - Water System Consolidated	Municipal Bonds		Santa Clara County CA 2 8/1/2019	801546PD8	02/01/2018	02/01/2018	08/01/2019	0.00	0.00	0.00	11,981.11	11,981.11
001 - Water System Consolidated	Municipal Bonds		Santee CDC Successor Agency 1.5 8/1/21/802862AV4	3133EFTY8	02/01/2018	02/01/2018	08/01/2018	0.00	0.00	0.00	7,500.00	7,500.00
001 - Water System Consolidated	Federal Agency Issues Coupon		FFCB 1.2 2/11/2019-16	3134GBLF7	02/22/2018	02/22/2018	05/22/2019	0.00	0.00	0.00	9,222.00	9,222.00
001 - Water System Consolidated	Federal Agency Issues Coupon		FHLB 1.125 8/23/2018-16	3130A8VQ3	02/23/2018	02/23/2018	08/23/2018	0.00	0.00	0.00	937.50	937.50
001 - Water System Consolidated	Federal Agency Issues Coupon		FHLB 1.125 8/23/2018-16	3134GAGG3	02/23/2018	02/23/2018	11/23/2018	0.00	0.00	0.00	1,988.75	1,988.75
001 - Water System Consolidated	Federal Agency Issues Coupon		FHLB 1.125 8/23/2018-16	3134GAGG3	02/23/2018	02/23/2018	11/23/2018	0.00	0.00	0.00	5,000.00	5,000.00
001 - Water System Consolidated	Federal Agency Issues Coupon		FHLB 1.125 8/23/2018-16	3134GAGG3	02/23/2018	02/23/2018	11/23/2018	0.00	0.00	0.00	18,070.31	18,070.31
001 - Water System Consolidated	Federal Agency Issues Coupon		FHLB 1.125 8/23/2018-16	3134GAGG3	02/23/2018	02/23/2018	11/23/2018	0.00	0.00	0.00	67,500.00	67,500.00
001 - Water System Consolidated	Federal Agency Issues Coupon		FHLB 1.125 8/23/2018-16	3134GAGG3	02/23/2018	02/23/2018	11/23/2018	0.00	0.00	0.00	5,750.00	5,750.00
001 - Water System Consolidated	Federal Agency Issues Coupon		FHLB 1.125 8/23/2018-16	3134GAGG3	02/23/2018	02/23/2018	11/23/2018	0.00	0.00	0.00	16,800.00	16,800.00
001 - Water System Consolidated	Federal Agency Issues Coupon		FHLB 1.125 8/23/2018-16	3134GAGG3	02/23/2018	02/23/2018	11/23/2018	0.00	0.00	0.00	31,250.00	31,250.00
001 - Water System Consolidated	Federal Agency Issues Coupon		FHLB 1.125 8/23/2018-16	3134GAGG3	02/23/2018	02/23/2018	11/23/2018	0.00	0.00	0.00	40,625.00	40,625.00
001 - Water System Consolidated	Federal Agency Issues Coupon		FHLB 1.125 8/23/2018-16	3134GAGG3	02/23/2018	02/23/2018	11/23/2018	0.00	0.00	0.00	6,250.00	6,250.00
001 - Water System Consolidated	Federal Agency Issues Coupon		FHLB 1.125 8/23/2018-16	3134GAGG3	02/23/2018	02/23/2018	11/23/2018	0.00	0.00	0.00	36,750.00	36,750.00
001 - Water System Consolidated	Federal Agency Issues Coupon		FHLB 1.125 8/23/2018-16	3134GAGG3	02/23/2018	02/23/2018	11/23/2018	0.00	0.00	0.00	17,656.25	17,656.25
001 - Water System Consolidated	Federal Agency Issues Coupon		FHLB 1.125 8/23/2018-16	3134GAGG3	02/23/2018	02/23/2018	11/23/2018	0.00	0.00	0.00	15,312.50	15,312.50
001 - Water System Consolidated	Federal Agency Issues Coupon		FHLB 1.125 8/23/2018-16	3134GAGG3	02/23/2018	02/23/2018	11/23/2018	0.00	0.00	0.00	327,144.68	327,144.68
007 - Wastewater Consolidated	Municipal Bonds		Brea CA Redevelopment Agency Success	106293CE1	02/01/2018	02/01/2018	08/01/2020	0.00	0.00	0.00	1,700.00	1,700.00
007 - Wastewater Consolidated	Municipal Bonds		Brea CA Redevelopment Agency Success	106293CD3	02/01/2018	02/01/2018	08/01/2019	0.00	0.00	0.00	406.25	406.25
007 - Wastewater Consolidated	Municipal Bonds		Lynwood Unified School District 2 8/1/2011551800GG4	3133EFC70	02/22/2018	02/22/2018	11/23/2018	0.00	0.00	0.00	2,800.00	2,800.00
007 - Wastewater Consolidated	Federal Agency Issues Coupon		FFCB 1.12 2/22/2019-17	3134G8LV9	02/22/2018	02/22/2018	08/24/2021	0.00	0.00	0.00	1,850.00	1,850.00
007 - Wastewater Consolidated	Federal Agency Issues Coupon		FHLB 1.125 8/24/2021-17	3134G8LV9	02/22/2018	02/22/2018	08/24/2021	0.00	0.00	0.00	4,500.00	4,500.00
007 - Wastewater Consolidated	Federal Agency Issues Coupon		FHLB 1.125 8/24/2021-17	3134G8LV9	02/22/2018	02/22/2018	08/24/2021	0.00	0.00	0.00	1,375.00	1,375.00
007 - Wastewater Consolidated	Federal Agency Issues Coupon		FHLB 1.125 8/24/2021-17	3134G8LV9	02/22/2018	02/22/2018	08/24/2021	0.00	0.00	0.00	6,500.00	6,500.00
007 - Wastewater Consolidated	Federal Agency Issues Coupon		FHLB 1.125 8/24/2021-17	3134G8LV9	02/22/2018	02/22/2018	08/24/2021	0.00	0.00	0.00	1,149.50	1,149.50
007 - Wastewater Consolidated	Federal Agency Issues Coupon		FHLB 1.125 8/24/2021-17	3134G8LV9	02/22/2018	02/22/2018	08/24/2021	0.00	0.00	0.00	9,750.00	9,750.00
007 - Wastewater Consolidated	Federal Agency Issues Coupon		FHLB 1.125 8/24/2021-17	3134G8LV9	02/22/2018	02/22/2018	08/24/2021	0.00	0.00	0.00	43,280.75	43,280.75

0.00 0.00 370,425.43 370,425.43



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Interest Activity
February 2018

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Interest Received (Reinvested)										
001 - Water System Consolidated	CAMP CA Asset Mgmt Program	CAMP MM	CAMP6035	02/28/2018	02/28/2018	N/A	0.00	0.00	5,893.72	5,893.72
001 - Water System Consolidated	Money Market Mutual Funds	Federated MM	MM3767	02/28/2018	02/28/2018	N/A	0.00	0.00	4,236.82	4,236.82
007 - Wastewater Consolidated	CAMP CA Asset Mgmt Program	CAMP MM	CAMP6035	02/28/2018	02/28/2018	N/A	0.00	0.00	10,427.06	10,427.06
065 - Water S2008A DSRF	Money Market Mutual Funds	Dreyfus MM	MM6989	02/02/2018	02/02/2018	N/A	0.00	0.00	2,523.80	2,523.80
068 - Water 2010A DSRF	Money Market Mutual Funds	Dreyfus MM	MM2642	02/02/2018	02/02/2018	N/A	0.00	0.00	5.43	5.43
							0.00	0.00	23,086.83	11,543.42

Monthly Investment Transactions Report
March 2018

This report is presented to the Board pursuant to Government Code Section 53607 and in accordance with the District's Investment Policy 4.07.

The attached report details transactions in the District's portfolio as follows:

- **Monthly Investment Transactions Summary** **Page 1**
- **Monthly Investment Activity** **Page 2**
 - Buys **Page 3**
 - Deposits **Page 4**
 - Matured **Page 5**
 - Calls **Page 6**
 - Sales **Page 7**
 - Withdrawals **Page 8**
- **Monthly Interest Activity** **Page 9**
 - Interest Received (Transferred to Wells Fargo) **Page 10**
 - Interest Received (Reinvested) **Page 11**


Approved by: Sophia D. Skoda, Finance Director

4-6-18
Date

SDS:DSK:MH



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Transactions Summary
March 2018

Portfolio	Beginning Balance*	Monthly Net Transaction Activity	Monthly Interest Activity	Ending Balance
001 - Water System Consolidated	594,324,212.90	(20,740,000.00)	4,806.08	573,589,018.98
007 - Wastewater Consolidated	95,530,024.15	(4,500,000.00)	4,772.29	91,034,796.44
049 - Ferc Partnership	2,000,000.00	-	-	2,000,000.00
009 - BACWA	3,167,600.00	-	-	3,167,600.00
015 - DERWA	-	-	-	-
002 - FRWA	2,150,000.00	-	-	2,150,000.00
014 - IICP	150,500.00	-	-	150,500.00
010 - UMRWA	64,000.00	-	-	64,000.00
003 - Employees Retirement	6,814,380.47	1,693,000.00	-	8,507,380.47
065 - Water S2008A DSRF	3,296,972.61	-	2,379.05	3,299,351.66
068 - Water 2010A DSRF	342,104.91	-	5.12	342,110.03
099 - Wells Fargo**	30,954,261.22	14,319,033.89	172,678.69	45,445,973.80
Total	738,794,056.26	(9,227,966.11)	184,641.23	729,750,731.38

* Portfolio balance presented at face value.

**Wells Fargo's month-end available balance per bank statement. Gross amount; not allocated by fund and not included in balances above.

Matt Houck

Prepared by: Matt Houck, Accounting Technician

Sandy Lindley

Reviewed by: Sandy Lindley, Accounting Supervisor

D. Scott Klein

Approved by: D. Scott Klein, Controller

4-6-2018

Date

4-6-18

Date

4-6-18

Date



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
March 2018

Portfolio	Deposits	Withdrawals	Buys	Sales	Matured	Calls	Non-Investment Transactions*	Net Transaction Activity
001 - Water System Consolidated	-	(25,000,000.00)	4,260,000.00	-	-	-	-	(20,740,000.00)
007 - Wastewater Consolidated	-	(5,000,000.00)	600,000.00	-	(100,000.00)	-	-	(4,500,000.00)
049 - Ferc Partnership	-	-	-	-	-	-	-	-
009 - BACWA	-	-	-	-	-	-	-	-
015 - DERWA	-	-	-	-	-	-	-	-
002 - FRWA	-	-	-	-	-	-	-	-
014 - IICP	-	-	-	-	-	-	-	-
010 - UMRWA	-	-	-	-	-	-	-	-
003 - Employees Retirement	10,648,000.00	(8,955,000.00)	-	-	-	-	-	-
065 - Water S2008A DSRF	-	-	-	-	-	-	-	1,693,000.00
068 - Water 2010A DSRF	-	-	-	-	-	-	-	-
Investment Activity Total	10,648,000.00	(38,955,000.00)	4,860,000.00	-	(100,000.00)	-	-	(23,547,000.00)
099 - Wells Fargo	(10,648,000.00)	38,955,000.00	(4,860,000.00)	-	100,000.00	-	(9,227,966.11)	14,319,033.89
Total	-	-	-	-	-	-	(9,227,966.11)	(9,227,966.11)

*Non-investment transactions are net receipts and expenditures in Wells Fargo resulting from activities other than investment and interest transactions detailed in this report.

<div data-bbox="941 1680 1055 1917" data-label="Text"> <p>Reviewed by: <u><i>[Signature]</i></u> Damien Charley, Principal Mgmt Analyst</p> </div> <div data-bbox="941 1081 1081 1228" data-label="Text"> <p><u><i>[Signature]</i></u> Date <u>4/2/18</u> Date</p> </div>	<div data-bbox="1039 1533 1081 1917" data-label="Text"> <p>Approved by: <u><i>[Signature]</i></u> Richard Lou, Acting Treasury Manager</p> </div>
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EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
March 2018

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Buys										
001 - Water System Consolidated	Municipal Bonds	Los Angeles Unified School District 1.85 544846X5		02/22/2018	03/08/2018	05/01/2018	4,260,000.00	4,260,000.00	0.00	4,260,000.00
007 - Wastewater Consolidated	Municipal Bonds	Lake Elsinore Redevelopment Agency S 884595Q4		02/28/2018	03/20/2018	09/01/2019	100,000.00	99,841.00	0.00	99,841.00
007 - Wastewater Consolidated	Federal Agency Issues Coupon	FINMA 0.875 5/21/2018	31353G0WJ8	03/12/2018	03/13/2018	05/21/2018	500,000.00	499,215.00	1,361.11	500,576.11
							4,860,000.00	4,859,056.00	1,361.11	4,860,417.11



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
March 2018

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Amount/Shares	Face Amount/Shares	Principal	Interest/Dividends	Total
Deposits											
003 - Employees Retirement	LAIF Local Government Investment Pool	LAIF LGIP	LGIP1005	03/23/2018	03/23/2018	N/A	7,103,000.00	7,103,000.00	7,103,000.00	0.00	7,103,000.00
003 - Employees Retirement	LAIF Local Government Investment Pool	LAIF LGIP	LGIP1005	03/08/2018	03/08/2018	N/A	3,545,000.00	3,545,000.00	3,545,000.00	0.00	3,545,000.00
								10,648,000.00	10,648,000.00	0.00	10,648,000.00



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
March 2018

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Amount/Shares	Face	Principal	Interest/Dividends	Total
Matured											
007 - Wastewater Consolidated	Federal Agency Issues Coupon	FNMA 1.125 3/5/2018-14	3138G1ER6	03/05/2018	03/05/2018	03/05/2018	100,000.00	100,000.00	100,000.00	0.00	100,000.00
							100,000.00	100,000.00	100,000.00	0.00	100,000.00



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
March 2018

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Amount/Shares	Face Amount	Principal	Interest/Dividends	Total
Calls											

*No Transaction this Period

0.00	0.00	0.00	0.00
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EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
March 2018

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Sales										

*No Transaction this Period

0.00	0.00	0.00	0.00
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EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
March 2018

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Withdrawals										
001 - Water System Consolidated	Money Market Mutual Funds	Federated MM	MM3767	03/23/2018	03/23/2018	N/A	5,000,000.00	5,000,000.00	0.00	5,000,000.00
001 - Water System Consolidated	LAIF Local Government Investment Pool	LAIF LGIP	LGIP1001	03/23/2018	03/23/2018	N/A	20,000,000.00	20,000,000.00	0.00	20,000,000.00
003 - Employees Retirement	LAIF Local Government Investment Pool	LAIF LGIP	LGIP1005	03/29/2018	03/29/2018	N/A	8,955,000.00	8,955,000.00	0.00	8,955,000.00
007 - Wastewater Consolidated	CAMP CA Asset Mgmt Program	CAMP MM	CAMP6035	03/23/2018	03/23/2018	N/A	5,000,000.00	5,000,000.00	0.00	5,000,000.00
							38,955,000.00	38,955,000.00	0.00	38,955,000.00



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Interest Activity
March 2018

Portfolio	Total Interest Received	Interest Transferred to Wells Fargo*	Net Interest Activity (Reinvested)**
001 - Water System Consolidated	144,532.27	(139,726.19)	4,806.08
007 - Wastewater Consolidated	37,724.79	(32,952.50)	4,772.29
049 - Ferc Partnership	-	-	-
009 - BACWA	-	-	-
015 - DERWA	-	-	-
002 - FRWA	-	-	-
014 - IICP	-	-	-
010 - UMRWA	-	-	-
003 - Employees Retirement	-	-	-
065 - Water S2008A DSRF	2,379.05	-	2,379.05
068 - Water 2010A DSRF	5.12	-	5.12
Interest Transactions Total	184,641.23	(172,678.69)	11,962.54
099 - Wells Fargo	-	172,678.69	172,678.69
Total	184,641.23	-	184,641.23

*Coupon and other interest received; reinvestment unavailable.

**Coupon and other interest payments reinvested in specific portfolio.

Mac

Prepared by: Matt Houck, Accounting Technician

Sandy Lindley

Reviewed by: Sandy Lindley, Accounting Supervisor

D. Klein

Approved by: D. Scott Klein, Controller

4-6-2018

Date

4-6-18

Date

4-6-18

Date



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Interest Activity
March 2018

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Amount/Shares	Face Principal	Interest/Dividends	Total
Interest Received (Transferred to Wells Fargo)										
001 - Water System Consolidated	Municipal Bonds	Alameda County Improvement Commission Successor Agency of the	010775BA1	03/01/2018	03/01/2018	09/01/2020	0.00	0.00	3,300.00	3,300.00
001 - Water System Consolidated	Municipal Bonds	Los Angeles County Redevelopment 1 9/1/2018	54465AGJ5	03/01/2018	03/01/2018	09/01/2018	0.00	0.00	16,250.00	16,250.00
001 - Water System Consolidated	Municipal Bonds	Santa Cruz County Redevelopment Successor Agency 1	80182YCR6	03/01/2018	03/01/2018	09/01/2019	0.00	0.00	4,418.56	4,418.56
001 - Water System Consolidated	Municipal Bonds	Santa Cruz County Redevelopment Successor Agency 2	80182YCR6	03/01/2018	03/01/2018	09/01/2020	0.00	0.00	8,826.13	8,826.13
001 - Water System Consolidated	Municipal Bonds	Successor Agency to the Redevelopment Agency of the	79730WBF6	03/01/2018	03/01/2018	09/01/2018	0.00	0.00	12,500.00	12,500.00
001 - Water System Consolidated	Municipal Bonds	Yorba Linda Redevelopment Agency Successor Agency	986176AM7	03/01/2018	03/01/2018	09/01/2018	0.00	0.00	2,288.54	2,288.54
001 - Water System Consolidated	Municipal Bonds	Yorba Linda Redevelopment Agency Successor Agency	986176AP0	03/01/2018	03/01/2018	09/01/2022	0.00	0.00	2,136.22	2,136.22
001 - Water System Consolidated	Federal Agency Issues Coupon	FAMC 1.14 9/4/2018	3132X0BT7	03/01/2018	03/01/2018	09/04/2018	0.00	0.00	4,255.94	4,255.94
001 - Water System Consolidated	Federal Agency Issues Coupon	FHLMC 1.5 9/9/2019-18	3134GA7A6	03/01/2018	03/01/2018	09/09/2019	0.00	0.00	678.30	678.30
001 - Water System Consolidated	Federal Agency Issues Coupon	FHLMC Step 9/23/2021-16	3134GAHM9	03/01/2018	03/01/2018	09/23/2021	0.00	0.00	3,150.00	3,150.00
001 - Water System Consolidated	Federal Agency Issues Coupon	FHLB Step 9/28/2020-18	3130ACFY5	03/01/2018	03/01/2018	09/28/2020	0.00	0.00	30,000.00	30,000.00
001 - Water System Consolidated	Federal Agency Issues Coupon	FHLB Step 3/30/2021-16	3130A9HD6	03/01/2018	03/01/2018	03/30/2021	0.00	0.00	7,500.00	7,500.00
001 - Water System Consolidated	Federal Agency Issues Coupon	FHLMC Step 3/30/2019-17	3134GAMF8	03/01/2018	03/01/2018	09/30/2019	0.00	0.00	20,000.00	20,000.00
001 - Water System Consolidated	Federal Agency Issues Coupon	FHLMC Step 9/30/2021-16	3134GAGL2	03/01/2018	03/01/2018	09/30/2021	0.00	0.00	12,062.50	12,062.50
							Sub Total	0.00	12,340.00	12,340.00
007 - Wastewater Consolidated	Municipal Bonds	Los Angeles County Redevelopment 1 9/1/2018	54465AGJ5	03/01/2018	03/01/2018	09/01/2018	0.00	0.00	10,000.00	10,000.00
007 - Wastewater Consolidated	Municipal Bonds	Palin Springs CA Cmnty Redevelopment Agency Success	69667ABR6	03/01/2018	03/01/2018	09/01/2020	0.00	0.00	1,678.33	1,678.33
007 - Wastewater Consolidated	Municipal Bonds	Palin Springs CA Cmnty Redevelopment Agency Success	69667ABP0	03/01/2018	03/01/2018	09/01/2018	0.00	0.00	441.67	441.67
007 - Wastewater Consolidated	Municipal Bonds	Palin Springs CA Cmnty Redevelopment Agency Success	69667ABS4	03/01/2018	03/01/2018	09/01/2021	0.00	0.00	795.00	795.00
007 - Wastewater Consolidated	Federal Agency Issues Coupon	Successor Agency to the Redevelopment Agency of the	79730WBG4	03/01/2018	03/01/2018	09/01/2019	0.00	0.00	4,225.00	4,225.00
007 - Wastewater Consolidated	Federal Agency Issues Coupon	FAMC 1.875 9/5/2018	31315P2G3	03/01/2018	03/01/2018	09/05/2018	0.00	0.00	4,687.50	4,687.50
007 - Wastewater Consolidated	Federal Agency Issues Coupon	FNMA 1.125 3/5/2018-14	3136G1ER6	03/01/2018	03/01/2018	03/05/2018	0.00	0.00	562.50	562.50
007 - Wastewater Consolidated	Federal Agency Issues Coupon	FAMC 1.55 9/6/2018	31315PQC6	03/01/2018	03/01/2018	09/06/2018	0.00	0.00	3,875.00	3,875.00
007 - Wastewater Consolidated	Federal Agency Issues Coupon	FHLB 1.125 9/20/2018-13	31338ZDS9	03/01/2018	03/01/2018	09/20/2018	0.00	0.00	562.50	562.50
007 - Wastewater Consolidated	Federal Agency Issues Coupon	FAMC 1.5 5/15/2019	3132X0CX2	03/01/2018	03/01/2018	05/15/2019	0.00	0.00	750.00	750.00
007 - Wastewater Consolidated	Federal Agency Issues Coupon	FHLMC 1.325/2019-16	3134G9897	03/01/2018	03/01/2018	03/29/2019	0.00	0.00	2,500.00	2,500.00
007 - Wastewater Consolidated	Federal Agency Issues Coupon	FNMA 1.15 9/30/2019-17	3136G4CZ4	03/01/2018	03/01/2018	09/30/2019	0.00	0.00	2,875.00	2,875.00
							Sub Total	0.00	172,678.69	172,678.69



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Interest Activity
March 2018

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Interest Received (Reinvested)										
001 - Water System Consolidated	CAMP CA Asset Mgmt Program	CAMP MM	CAMP6035	03/31/2018	03/31/2018	N/A	0.00	0.00	890.02	890.02
001 - Water System Consolidated	Money Market Mutual Funds	Federated MM	MM3767	03/31/2018	03/31/2018	N/A	0.00	0.00	4,116.06	4,116.06
007 - Wastewater Consolidated	CAMP CA Asset Mgmt Program	CAMP MM	CAMP6035	03/31/2018	03/31/2018	N/A	0.00	0.00	4,772.29	4,772.29
065 - Water SZ008A DSRF	Money Market Mutual Funds	Dreyfus MM	MM6999	03/02/2018	03/02/2018	N/A	0.00	0.00	2,379.05	2,379.05
088 - Water 2010A DSRF	Money Market Mutual Funds	Dreyfus MM	MM2842	03/02/2018	03/02/2018	N/A	0.00	0.00	5.12	5.12
							0.00	0.00	11,962.54	11,962.54

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: April 19, 2018

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager *ARC*

FROM: Sophia D. Skoda, Director of Finance *DSK*
Sur SOS

SUBJECT: Investment Policy Annual Review

RECOMMENDED ACTION

Recommend approval of revisions to Policy 4.07 – Investment Policy which was last revised on April 25, 2017, and affirm existing delegation of authority for the management of investments on behalf of the District to the Director of Finance, who is also acting as the Treasurer of the District. The policy has been reviewed and amended as needed for clarity, and to ensure continued compliance with California Government Code. Sections have also been added as best practice. This item will be reviewed with the Finance/Administration Committee on April 24, 2018.

DISCUSSION

Section 53646 of the California Government Code encourages the Treasurer to annually present a statement of investment policy to the Board for their consideration at a public meeting. The District's policy has been reviewed to ensure its continued compliance with the California Government Code and some sections have been added as best practice. Key changes include:

- Clarification items include correcting use of diversification (versus diversity) as the proper term for the investment criteria and reorganization of the introductory paragraph in order of investment criteria (safety, then liquidity, then yield).
- An ethics and conflict of interest section was added as best practice, supplementing the District's Conflict of Interest Code with some industry standard recommendations.
- Two additional exhibits were added to improve the ease of use of the policy for all stakeholders: a reference table to some of the investment options in the policy; and a glossary of commonly used investment terms, a best practice.

The proposed policy with changes marked, and the proposed policy in unmarked form are attached.

ARC:DSK:DRC

Attachments



Policy 4.07R

EFFECTIVE 254 APR 178

SUPERSEDES 265 APR 167

INVESTMENT POLICY

IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Invest District funds and funds managed by the District on behalf of its Joint Powers Authorities (JPAs) in compliance with investment criteria for safety, liquidity, yield and ~~diversity~~ diversification as set forth herein. Investments shall be in securities with a range of maturities to provide adequate security and liquidity to pay demands when due ~~a high rate of return on investments~~ while providing ~~adequate security and liquidity to pay demands when due~~ a high rate of return on investments.

Authority	Section 53600 et. seq. of the California Government Code (Code), and Article 7 in Chapter 6 of the Municipal Utility District Act (M.U.D. Act) govern the investment of idle monies of the District. Section 53635 of the Code defines how investments are to be handled for Joint Powers Authorities.
------------------	--

Delegation of Authority	The authority and responsibility to invest idle monies of the District is delegated to the Director of Finance as the Treasurer.
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No Bond Proceeds	The investment of bond proceeds is specifically defined in individual bond indenture documents and is not included in this policy.
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Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall:

- refrain from personal business activity that could conflict with proper execution of the District's investment program, or which could impair their ability to make impartial investment decisions on behalf of the District.
- disclose any material financial interest in financial institutions that conduct business with the District.
- disclose material personal financial/investments that are related to or could reasonably be affected by the performance of the District's investments.
- refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the District's investments, and
- comply with the District's Conflict of Interest Code, as required.

Investment Criteria	Criteria for selecting investments shall:
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- adhere to the prudent investor standard, described in Section 53600.3 of the Code as follows: "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency," **and**
- conform with the Code and M.U.D. Act, **and**

have the following objectives, in order of priority:

1. *Safety* - The District's ability to recover principal and interest. Investments shall be made that will seek to ensure the preservation of principal and interest and minimize risk to the greatest extent possible. It is the primary duty of the Treasurer to protect, preserve and maintain cash and investments on behalf of the District.
2. *Liquidity* - The District's ability to have cash available when needed to support expenditure cycles and budgetary objectives.
3. *Yield* - The District's ability to provide maximum return on the District's investments while conforming to the safety and liquidity criteria above.
4. ~~*Diversity*~~ *Diversification* - The District's ability to maintain an investment portfolio that includes a range of security types for the District. In order to accomplish this, each Investment Option shall have defined limits on maximum share of the portfolio, single issuer and single issue holdings, and maturity, rating and other restrictions where applicable.

Maturity

The weighted average maturity of the portfolio shall not exceed 720 days.

Rating Agencies and Rating Requirements

As outlined below, some Investment Options have rating requirements. In that context, Rating Agencies is defined as:

- Standard & Poor's Financial Services (S&P),
- Moody's Investors Service (Moody's), and
- Fitch Ratings (Fitch), only.

Ratings requirements:

- are provided using the S&P scale and should be read as "or equivalent" to other Rating Agencies scales. Rating Agencies scales are included for reference in Exhibit 1,
- apply at the time of purchase only, with subsequent downgrades below requirement levels prompting a case-by-case evaluation of the investment, and
- only apply to the Rating Agencies rating the security.

Investment Options

The District is able to purchase investments in the instruments listed in this section as allowed and defined under Section 53600 et. seq. of the Code, Article 7 in Chapter 6 of the M.U.D. Act, Board Resolutions, and via this policy. As used in this section, the term "Portfolio" refers to ~~each~~ all investment investable portfolio-funds managed by the District.

1. United States Treasury Obligations

- Maximum Share of Portfolio: Unlimited
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed five (5) years from the settlement date
- Minimum Rating: n/a
- Other Restrictions: none

2. United States Government Agencies Obligations

Under this subsection, only obligations issued by the following agencies are permitted:

- Federal Agricultural Mortgage Corporation (Farmer Mac)
- Federal Farm Credit Bank (FFCB)
- Federal Home Loan Bank (FHLB)
- Federal Home Loan Mortgage Corporation (FHLMC)
- Federal National Mortgage Association (FNMA)
- Maximum Share of Portfolio: Unlimited
- Maximum Issuer Limit: 40% of the Portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed five (5) years from the settlement date
- Minimum Rating: n/a
- Other Restrictions: none

3. State of California, Local Agency Investment Fund (LAIF)

- Maximum Share of Portfolio: as determined by Section 16429.1 of the Code
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: n/a
- Other Restrictions: none

4. Local Government Investment Pools

Under this subsection, only obligations of the following agencies are permitted:

- California Asset Management Program (CAMP)
- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: Ratings of AAAm -by at least one Rating Agency
- Other Restrictions: none

5. Money Market Mutual Funds

Under this subsection, only Money Market Mutual Funds with stable, non-floating NAV (Net Asset Value, the value of assets divided by number of shares) are permitted

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Fund Limit: 5% of Money Market Mutual Fund's assets in the Portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: AAAm by at least two Rating Agencies
- Other Restrictions: n/a

6. Certificates of Time Deposit

Code Section 53601.8 allows investments in deposits placed with a private sector entity that assists in the placement of deposits with eligible financial institutions located in the United States. Under this subsection, only such purchases are permitted.

- Maximum Share of Portfolio: 20% of the Portfolio when added together with Negotiable Certificates of Deposit
- Maximum Issuer Limit: maximum FDIC insured (\$250,000 as of April 20172018)
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed one (1) year from the settlement date
- Minimum Rating: AA- by at least one Rating Agency
- Other Restrictions:
 - o Investment in local branches within the District, whenever possible

7. Negotiable Certificates of Deposit

- Maximum Share of Portfolio: 20% of the Portfolio when added together with Certificates of Time Deposits
- Maximum Issuer Limit: maximum FDIC insured (\$250,000 as of April 2017)
- Maximum Issue Limit: 10% of issue
- Maximum Maturity: Not to exceed five (5) years from the settlement date
- Minimum Rating: AA- by all Rating Agencies
- Other Restrictions: Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more.

8. Commercial Paper

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: 10% of outstanding amount for the issuer
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed 270 days from the settlement date
- Minimum Rating: A-1+ from at least one Rating Agency
- Other Restrictions: issued by an entity that is, at the time of purchase:
 - o organized and operating in the United States as a general corporation, with total assets exceeding \$500,000,000 and debt (other than commercial paper) rated A or better by at least one Rating Agency ; or
 - o is organized within the United States as a special purpose corporation, trust, or limited liability company, with program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond, and has commercial paper that is rated A-1+ by at least one Rating Agency

9. Medium Term Corporate Notes

- Maximum Share of Portfolio: 30% of the Portfolio
- Maximum Issuer Limit: 10% of the Portfolio
- Maximum Issue Limit: 5% of original issue amount
- Maximum Maturity: Not to exceed 5 years from the settlement date
- Minimum Rating: AA- from at least one Rating Agency, and not lower than A by any Rating Agency
- Other Restrictions: issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

10. Repurchase Agreements

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed 270 days from the settlement date
- Minimum Rating: n/a
- Other Restrictions:
 - o Collateral may only be in any securities authorized in items 1, or 2
 - o A Master Repurchase Agreement must be on file with the District
 - o Security must be marked to market on a daily basis and delivered to the District's custodial bank at a market value of at least 102%

11. Municipal Obligations

Under this subsection, only registered obligations of the following agencies are permitted:

- o Any local agency within the State of California
- o the State of California
- Municipal Bonds:
 - o Maximum Share of Portfolio: 40% of the Portfolio when added together with Municipal Notes
 - o Maximum Issuer Limit: 20% of the Portfolio
 - o Maximum Issue Limit: 10% of original issue amount
 - o Maximum Maturity: Not to exceed five (5) years or with a put provision within five (5) years of settlement date
 - o Minimum Rating: AA- or equivalent by at least one Rating Agency, and not lower than A by any Rating Agency
 - o Other Restrictions: none
- Municipal Notes:
 - o Maximum Share of Portfolio: 40% of the Portfolio together with Municipal Bonds
 - o Maximum Issuer Limit: 20% of the Portfolio
 - o Maximum Issue limit: 10% of original issue amount
 - o Maximum Maturity: n/a
 - o Minimum Rating: Notes maturing within 365 days must have a rating of SP-1+ from at least one Rating Agency
 - o Other Restrictions: none

**Investment
Placement**

Investment placement shall be determined by, but not limited to, continual evaluation and projection of market conditions, interest rate trends, cash flow needs, economic data, yield curves, and interest rate forecasts. Additionally, for investments purchased or sold in the secondary market, best efforts will be made to obtain at least three quotations from Purchasing Entities (as defined below) or obtain timely and verifiable third-party market pricing data for the investment in question. The combination of these factors shall determine where, in what denomination, and for what maturity investments are made.

**Selling Securities
Prior To Maturity**

When selling securities prior to maturity, principal losses are only allowable either:

- if the sale of securities is necessary to meet payment obligations,
 - to comply with this policy, while considering the impact of the sale(s), or
 - if the proposed sale is to be made in conjunction with a purchase and the proposed sale in combination with the subsequent purchase can enhance the Portfolio's yield.
-

Collateral

Securities placed with agents of depository shall at all times be maintained as specified in District Resolution 33232-01 in one or more trust companies, State or national banks located within California, the Federal Reserve Bank, or with any state or national bank located in any city designated as a federal reserve city by the Board of Governors of the Federal Reserve System, and to take from any such banks or trust companies receipts for securities so deposited. Requests for Collateral substitution and releases are subject to the Treasurer's written approval.

**Purchasing
Entities**

Investments will be purchased from either:

- Primary Dealers as designated by the Federal Reserve Bank of New York,
- National or California State Chartered Banks,
- Federal or California Chartered Savings Institution,
- Broker-Dealers registered with the State of California, or
- Issuers of securities eligible for purchase by the District.

In addition, these institutions must:

- be registered by the Securities and Exchange Commission (SEC),
- be members in good standing of the Financial Industry Regulatory Authority (FINRA).

The District shall maintain a current eligible list of established dealers, brokers, banks and savings and loan associations with which securities trading and placement of funds are authorized.

Additionally, to be placed on the eligible list, individuals need to certify in writing that they have read, understood, and agree to comply with this policy, where applicable, by completing and filing with the District the 'Certification of Compliance with Investment Policy' included in this policy as Exhibit 2.

Eligibility may be revoked at any time, in the District's sole discretion, for any reason, including but not limited to, failure to meet the above requirements.

**Trade
Confirmations and
Settlements**

To ensure a high degree of internal control, the District shall comply with the following:

1. All Securities purchased from dealers and brokers shall be held in safekeeping by the District's custodial bank, a national bank, a State chartered bank or trust company, established for this purpose as someone other than the selling party of the security. Securities purchased will be covered by a trust or safekeeping receipt in a manner that establishes the District's ownership. All transactions require delivery of the security prior to payment for the security (delivery vs. payment).

2. All trade confirmations shall be received directly and reviewed for conformity to the original transaction by an individual other than the person originating the transaction. Any discrepancies will be brought to the attention of the Treasurer.

**Review And
Reporting
Requirements**

On a monthly basis, in accordance with Section 53607 of the Code, the Treasurer shall prepare and submit a report to the General Manager and the Board of Directors listing investment transactions.

On a quarterly basis, in accordance with Section 53646 of the Code, the Treasurer may prepare and submit a report to the General Manager and the Board of Directors which shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and moneys held by the District, and provide an investment summary by security type, percent of the portfolio, investment yield and the remaining period of investment to maturity.

On an annual basis, in accordance with Section 53646 of the Code, an investment policy may be presented to the Board for consideration at a public meeting. In conjunction with the investment policy consideration, the Board shall also annually review the delegation of its authority for the management of investments to the Treasurer.

**Performance
Review And
Internal Control****Office of Internal Audit**

The Office of Internal Audit will periodically audit the investment portfolio to evaluate the effectiveness of the District's investment program as well as its compliance with the Investment Policy. These audits will supplement the annual review by the District's external auditors.

Finance Department

The Treasurer will review the investment portfolio monthly for compliance with the Investment Policy and make recommendations for changes and improvements where warranted.

Authority

Resolution No. 33019-96 on December 10, 1996
Amended by Resolution No. 33134-99 on January 26, 1999
Amended by Resolution No. 33232-01 on January 9, 2001
Amended by Resolution 33287-02 on January 22, 2002
Amended by Resolution 33350-03 on February 25, 2003
Amended by Resolution 33390-04 on January 27, 2004
Amended by Resolution 33464-05 on February 22, 2005
Amended by Resolution 33516-06 on January 24, 2006
Amended by Resolution 33585-07 on March 13, 2007
Approved by Resolution 33658-08, February 26, 2008
Approved by Resolution 33702-09, February 24, 2009
Approved by Resolution 33752-10, January 26, 2010
Approved by Resolution 33792-10, November 23, 2010
Approved by Resolution 33871-12, April 24, 2012
Approved by Resolution 33920-13, March 26, 2013
Reaffirmed by Motion 056-14, March 25, 2014
Approved by Resolution 34027-15, April 28, 2015
Approved by Resolution 34079-16, April 26, 2016

Approved by Resolution 35033-17, April 25, 2017
Approved by Resolution XXXXX-18, April 24, 2018

Reference

Procedure 601 – Conflict of Interest Disqualification Procedure

EXHIBIT 1 RATING AGENCIES' SCALES

For purposes of Investment Policy 4.07 the term "Rating Agencies" is defined as: Standard & Poor's Financial Services (S&P), Moody's Investors Service (Moody's), and Fitch Ratings (Fitch).

Ratings requirements are provided using the S&P scale and should be read as "or equivalent" to other Rating Agencies scales. The equivalencies are provided in the tables below.

EXAMPLE

Investment Option 6, Certificates of Time Deposits, shows:

"Minimum Rating: AA- by at least one Rating Agency"

This requirement should be read as:

"Minimum Rating: AA- *or equivalent* by at least one Rating Agency."

To determine the equivalent rating in the table below, find the AA- rating under the S&P column and read across the row to find the Moody's equivalent rating of Aa3 and the Fitch equivalent rating of AA-. Accordingly, a Certificate of Time Deposit is equivalent as an investment if it is rated AA- by S&P, Aa3 by Moody's, or AA- by Fitch.

INVESTMENT-GRADE RATING SCALES

LONG-TERM DEBT		
S&P	MOODY'S	FITCH
AAA	Aaa	AAA
AA+	Aa1	AA+
AA	Aa2	AA
AA-	Aa3	AA-
A+	A1	A+
A	A2	A
A-	A3	A-
BBB+	Baa1	BBB+
BBB	Baa2	BBB
BBB-	Baa3	BBB-

← Minimum rating required for district investments

SHORT-TERM DEBT		
S&P	MOODY'S	FITCH
A-1+	P-1	F1+
A-1	-	F1
A-2	P-2	F2
A-3	P-3	F3

← Minimum rating required for district investments

FUNDS		
S&P	MOODY'S	FITCH
AAAm	Aaa-mf	AAAf
AAM	Aa-mf	AAf
Am	A-mf	Af
BBBm	Baa-mf	BBBf

← Minimum rating required for district investments

EXHIBIT 2
East Bay Municipal Utility District
Certification of Compliance with Investment Policy

The East Bay Municipal Utility District (the District), under Policy 4.07 (the Investment Policy), requires that securities trading and placement of funds be conducted only with eligible Purchasing Entities. The Investment Policy also specifies that the District must obtain written certification that eligible Purchasing Entities have read, understood, and agree to comply with the Investment Policy, where applicable. This certification is necessary to be included on an approved list of Purchasing Entities that are eligible to conduct investment transactions with the District. The District has no obligation to enter into securities trading and/or placement of funds transactions with any or all Purchasing Entities on the list. The District retains the sole and exclusive discretion to determine with which of the Purchasing Entities, if any, to engage in individual investment transactions. Eligibility may be revoked at any time, at the District's sole discretion, for any reason, including but not limited to, failure to meet the requirements of the policy and this exhibit.

Please complete the sections below, sign and return this completed form if you wish to be considered for inclusion on the approved list of Purchasing Entities eligible to conduct investment transactions with the District.

Please send completed form:

via mail, to:

Damien Charléty
East Bay Municipal Utility District
375 11th Street, MS809
Oakland, CA 94607

and

electronically, to:

damien.charlety@ebmud.com

A. Entity Name _____

B. My entity is a: (choose all that apply, **at least one must be checked for eligibility**)

- ☐ Primary Dealer as designated by the Federal Reserve Bank of New York
- ☐ National or California State Chartered Bank
- ☐ Federal or California Chartered Savings Institution
- ☐ Broker-Dealer registered with the State of California

AND

I certify that my entity is: (**both must be checked for eligibility**)

- ☐ registered by the Securities and Exchange Commission (SEC)
- ☐ a member in good standing of the Financial Industry Regulatory Authority (FINRA)

C. My entity is an:

- ☐ Issuer of securities eligible for purchase by the District

D. My entity:

- ☐ participates in the District's Contract Equity Program

I certify that I have read, understood, and agree to comply where applicable with the District's Investment Policy.

Print Name _____

Sign Name _____

Title _____

Date _____

EXHIBIT 3
East Bay Municipal Utility District
Investment Policy Quick Reference Table

The following is a summary of Investment Options and a few of their requirements. Full details on each Investment Option can be found in the main body of the Investment Policy on pages 2 through 5.

<u>Investment Option</u>	<u>Maximum Share of Portfolio</u>	<u>Minimum Rating at purchase</u>	<u>Maximum Maturity at settlement</u>	<u>Additional Limitations</u>
<u>United States Treasury Obligations</u>	<u>100%</u>	<u>n/a</u>	<u>5 years</u>	<u>see page 2, Item 1</u>
<u>United States Government Agencies Obligations</u>	<u>100%</u>	<u>n/a</u>	<u>5 years</u>	<u>see page 3, Item 2</u>
<u>State of California, Local Agency Investment Fund</u>	<u>per Code</u>	<u>n/a</u>	<u>n/a</u>	<u>see page 3, Item 3</u>
<u>Local Government Investment Pools</u>	<u>20%</u>	<u>AAAm</u>	<u>n/a</u>	<u>see page 3, Item 4</u>
<u>Money Market Mutual Funds</u>	<u>20%</u>	<u>AAAm</u>	<u>n/a</u>	<u>see page 3, Item 5</u>
<u>Certificates of Time Deposit</u>	<u>20%</u>	<u>AA-</u>	<u>1 year</u>	<u>see page 3-4, Item 6</u>
<u>Negotiable Certificates of Deposit</u>		<u>AA-</u>	<u>5 years</u>	<u>see page 4, Item 7</u>
<u>Commercial Paper</u>	<u>20%</u>	<u>A-1+</u>	<u>270 days</u>	<u>see page 4, Item 9</u>
<u>Medium Term Corporate Notes</u>	<u>30%</u>	<u>AA-</u>	<u>5 years</u>	<u>see page 4, Item 9</u>
<u>Repurchase Agreements</u>	<u>20%</u>	<u>n/a</u>	<u>270 days</u>	<u>see page 5, Item 10</u>
<u>Municipal Obligations</u>	<u>40%</u>	<u>AA-</u>	<u>5 years</u>	<u>see page 5, Item 11</u>

EXHIBIT 4
Glossary of Commonly Used Investment Terms

This Glossary is for informational purposes only and is not intended to modify any of the terms of this Investment Policy, the Code, or M.U.D. Act.

<u>ACCRUED INTEREST</u>	<u>The amount of interest that is earned but unpaid since the last interest payment date.</u>
<u>ASK PRICE</u>	<u>The price at which securities are offered from a seller.</u>
<u>AVERAGE MATURITY</u>	<u>A calculation that expresses the average maturity of an investment portfolio using each investment's maturity weighted by the size of that investment in the portfolio.</u>
<u>BASIS POINT</u>	<u>One basis point equals 1/100 of one percent. Basis points are used more often to describe changes in yields on bonds, notes and other fixed-income securities.</u>
<u>BID PRICE</u>	<u>The price at which a buyer offers to buy a security.</u>
<u>BOOK VALUE</u>	<u>The original cost of the investment, plus accrued interest and amortization of any premium or discount.</u>
<u>BROKER</u>	<u>A broker brings buyers and sellers together and is compensated for his/her service.</u>
<u>CALL PRICE</u>	<u>The price at which an issuer may redeem a bond prior to maturity.</u>
<u>CALLABLE BONDS</u>	<u>Bonds that may be redeemed by the issuing company prior to the maturity date.</u>
<u>CERTIFICATE OF DEPOSIT (CD)</u>	<u>A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CDs are typically negotiable.</u>
<u>COLLATERAL</u>	<u>Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.</u>
<u>COMMERCIAL PAPER (CP)</u>	<u>Short-term unsecured promissory notes.</u>
<u>COUPON</u>	<u>The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.</u>
<u>CURRENT YIELD</u>	<u>The annual income from an investment divided by the current market value.</u>
<u>CUSTODIAN</u>	<u>A bank or other financial institution that keeps custody of stock certificates and other assets.</u>
<u>DEALER</u>	<u>A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.</u>
<u>DELIVERY VS. PAYMENT (DVP)</u>	<u>Delivery of securities with a simultaneous exchange of money for the securities.</u>
<u>DISCOUNT</u>	<u>The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.</u>
<u>DIVERSIFICATION</u>	<u>An investment principle designed to spread the risk in a portfolio by dividing investments among different sectors, industries and companies.</u>
<u>FIXED-INCOME SECURITIES</u>	<u>Securities that return a fixed income over a specified period.</u>
<u>GOVERNMENT SECURITIES</u>	<u>Obligations of the U.S. Government and its agencies and instrumentalities.</u>
<u>INTEREST</u>	<u>The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.</u>
<u>LIQUIDITY</u>	<u>The speed and ease with which an investment can be converted to cash.</u>
<u>MARKET VALUE</u>	<u>The price at which a security is trading and could presumably be purchased or sold.</u>
<u>MATURITY</u>	<u>The date upon which the principal or stated value of an investment</u>

	<u>becomes due and payable.</u>
<u>MEDIUM TERM NOTES (MTN)</u>	<u>Debt securities issued by a corporation or depository institution with a remaining maturity ranging from nine months to five years.</u>
<u>MONEY MARKET MUTUAL FUNDS</u>	<u>An investment company that pools money from investors and invest in a variety of short-term money market instruments.</u>
<u>NET ASSET VALUE (NAV)</u>	<u>A per-share valuation of a mutual fund based on total assets minus total liabilities.</u>
<u>NON-CALLABLE</u>	<u>Bond that cannot be called at the option of the issuer.</u>
<u>OFFER PRICE</u>	<u>The price asked by a seller of securities.</u>
<u>PAR or PAR VALUE</u>	<u>The amount of principal that must be paid on the maturity date. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.</u>
<u>PREMIUM</u>	<u>The difference between the par value of a bond and the market value of the bond, when the market value is above par.</u>
<u>PRIMARY DEALER</u>	<u>A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight.</u>
<u>PRINCIPAL</u>	<u>The face value or par value of an investment.</u>
<u>RATE OF RETURN</u>	<u>The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.</u>
<u>REPURCHASE AGREEMENT</u>	<u>The purchase of securities, on a temporary basis, with the seller's simultaneous agreement to repurchase the securities back at a later date at a specified price that includes interest for the buyer's holding period.</u>
<u>SAFEKEEPING</u>	<u>Storage and protection of a customer's financial assets, valuables, or documents, provided as a service by an institution serving as Agent or Custodian and, where control is delegated by the customer.</u>
<u>SECONDARY MARKET</u>	<u>A market made for the purchase and sale of outstanding issues following the initial distribution.</u>
<u>SETTLEMENT DATE</u>	<u>The date when the security is delivery in exchange for the corresponding payment.</u>
<u>TREASURY BILLS</u>	<u>A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.</u>
<u>TREASURY BONDS</u>	<u>Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years from date of issue.</u>
<u>TREASURY NOTES</u>	<u>Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years from date of issue.</u>
<u>U. S. GOVERNMENT AGENCY SECURITIES</u>	<u>Debt securities issued by U.S. Government sponsored enterprises and federally related institutions.</u>
<u>U.S. TREASURY SECURITIES</u>	<u>Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States.</u>
<u>YIELD TO CALL (YTC)</u>	<u>The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date.</u>
<u>YIELD TO MATURITY (YTM)</u>	<u>The rate of return earned on an investment held to maturity considering all cash flows and timing factors: interest earnings, discounts, and premiums above par.</u>
<u>YIELD</u>	<u>The annual rate of return on a debt investment expressed as a percentage.</u>



Policy 4.07

EFFECTIVE 24 APR 18

SUPERSEDES 25 APR 17

INVESTMENT POLICY

IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Invest District funds and funds managed by the District on behalf of its Joint Powers Authorities (JPAs) in compliance with investment criteria for safety, liquidity, yield and diversification as set forth herein. Investments shall be in securities with a range of maturities to provide adequate security and liquidity to pay demands when due while providing a high rate of return on investments.

Authority	Section 53600 et. seq. of the California Government Code (Code), and Article 7 in Chapter 6 of the Municipal Utility District Act (M.U.D. Act) govern the investment of idle monies of the District. Section 53635 of the Code defines how investments are to be handled for Joint Powers Authorities.
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Delegation of Authority	The authority and responsibility to invest idle monies of the District is delegated to the Director of Finance as the Treasurer.
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No Bond Proceeds	The investment of bond proceeds is specifically defined in individual bond indenture documents and is not included in this policy.
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Ethics and Conflicts of Interest	<p>Officers and employees involved in the investment process shall:</p> <ul style="list-style-type: none">- refrain from personal business activity that could conflict with proper execution of the District's investment program, or which could impair their ability to make impartial investment decisions on behalf of the District,- disclose any material financial interest in financial institutions that conduct business with the District,- disclose material personal financial/investments that are related to or could reasonably be affected by the performance of the District's investments,- refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the District's investments, and- comply with the District's Conflict of Interest Code, as required.
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Investment Criteria	<p>Criteria for selecting investments shall:</p> <ul style="list-style-type: none">- adhere to the prudent investor standard, described in Section 53600.3 of the Code as follows: "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency," and- conform with the Code and M.U.D. Act, and- have the following objectives, in order of priority:
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1. *Safety* - The District's ability to recover principal and interest. Investments shall be made that will seek to ensure the preservation of principal and interest and minimize risk to the greatest extent possible. It is the primary duty of the Treasurer to protect, preserve and maintain cash and investments on behalf of the District.
 2. *Liquidity* - The District's ability to have cash available when needed to support expenditure cycles and budgetary objectives.
 3. *Yield* – The District's ability to provide maximum return on the District's investments while conforming to the safety and liquidity criteria above.
 4. *Diversification* – The District's ability to maintain an investment portfolio that includes a range of security types for the District. In order to accomplish this, each Investment Option shall have defined limits on maximum share of the portfolio, single issuer and single issue holdings, and maturity, rating and other restrictions where applicable.
-

Maturity

The weighted average maturity of the portfolio shall not exceed 720 days.

Rating Agencies and Rating Requirements

As outlined below, some Investment Options have rating requirements. In that context, Rating Agencies is defined as:

- Standard & Poor's Financial Services (S&P),
- Moody's Investors Service (Moody's), and
- Fitch Ratings (Fitch), only.

Ratings requirements:

- are provided using the S&P scale and should be read as "or equivalent" to other Rating Agencies scales. Rating Agencies scales are included for reference in Exhibit 1,
 - apply at the time of purchase only, with subsequent downgrades below requirement levels prompting a case-by-case evaluation of the investment, and
 - only apply to the Rating Agencies rating the security.
-

Investment Options

The District is able to purchase investments in the instruments listed in this section as allowed and defined under Section 53600 et. seq. of the Code, Article 7 in Chapter 6 of the M.U.D. Act, Board Resolutions, and via this policy. As used in this section, the term "Portfolio" refers to all investable funds managed by the District.

1. United States Treasury Obligations

- Maximum Share of Portfolio: Unlimited
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed five (5) years from the settlement date
- Minimum Rating: n/a
- Other Restrictions: none

2. United States Government Agencies Obligations

Under this subsection, only obligations issued by the following agencies are permitted:

- Federal Agricultural Mortgage Corporation (Farmer Mac)
- Federal Farm Credit Bank (FFCB)
- Federal Home Loan Bank (FHLB)
- Federal Home Loan Mortgage Corporation (FHLMC)
- Federal National Mortgage Association (FNMA)
- Maximum Share of Portfolio: Unlimited
- Maximum Issuer Limit: 40% of the Portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed five (5) years from the settlement date
- Minimum Rating: n/a
- Other Restrictions: none

3. State of California, Local Agency Investment Fund (LAIF)

- Maximum Share of Portfolio: as determined by Section 16429.1 of the Code
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: n/a
- Other Restrictions: none

4. Local Government Investment Pools

Under this subsection, only obligations of the following agencies are permitted:

- California Asset Management Program (CAMP)
- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: Ratings of AAAM by at least one Rating Agency
- Other Restrictions: none

5. Money Market Mutual Funds

Under this subsection, only Money Market Mutual Funds with stable, non-floating NAV (Net Asset Value, the value of assets divided by number of shares) are permitted

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Fund Limit: 5% of Money Market Mutual Fund's assets in the Portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: AAAM by at least two Rating Agencies
- Other Restrictions: n/a

6. Certificates of Time Deposit

Code Section 53601.8 allows investments in deposits placed with a private sector entity that assists in the placement of deposits with eligible financial institutions located in the United States. Under this subsection, only such purchases are permitted.

- Maximum Share of Portfolio: 20% of the Portfolio when added together with Negotiable Certificates of Deposit
- Maximum Issuer Limit: maximum FDIC insured (\$250,000 as of April 2018)
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed one (1) year from the settlement date
- Minimum Rating: AA- by at least one Rating Agency
- Other Restrictions:
 - o Investment in local branches within the District, whenever possible

7. Negotiable Certificates of Deposit

- Maximum Share of Portfolio: 20% of the Portfolio when added together with Certificates of Time Deposits
- Maximum Issuer Limit: maximum FDIC insured (\$250,000 as of April 2017)
- Maximum Issue Limit: 10% of issue
- Maximum Maturity: Not to exceed five (5) years from the settlement date
- Minimum Rating: AA- by all Rating Agencies
- Other Restrictions: Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more.

8. Commercial Paper

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: 10% of outstanding amount for the issuer
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed 270 days from the settlement date
- Minimum Rating: A-1+ from at least one Rating Agency
- Other Restrictions: issued by an entity that is, at the time of purchase:
 - o organized and operating in the United States as a general corporation, with total assets exceeding \$500,000,000 and debt (other than commercial paper) rated A or better by at least one Rating Agency ; or
 - o is organized within the United States as a special purpose corporation, trust, or limited liability company, with program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond, **and** has commercial paper that is rated A-1+ by at least one Rating Agency

9. Medium Term Corporate Notes

- Maximum Share of Portfolio: 30% of the Portfolio
- Maximum Issuer Limit: 10% of the Portfolio
- Maximum Issue Limit: 5% of original issue amount
- Maximum Maturity: Not to exceed 5 years from the settlement date
- Minimum Rating: AA- from at least one Rating Agency, and not lower than A by any Rating Agency
- Other Restrictions: issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

10. Repurchase Agreements

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed 270 days from the settlement date
- Minimum Rating: n/a
- Other Restrictions:
 - o Collateral may only be in any securities authorized in items 1, or 2
 - o A Master Repurchase Agreement must be on file with the District
 - o Security must be marked to market on a daily basis and delivered to the District's custodial bank at a market value of at least 102%

11. Municipal Obligations

Under this subsection, only registered obligations of the following agencies are permitted:

- o Any local agency within the State of California
- o the State of California
- Municipal Bonds:
 - o Maximum Share of Portfolio: 40% of the Portfolio when added together with Municipal Notes
 - o Maximum Issuer Limit: 20% of the Portfolio
 - o Maximum Issue Limit: 10% of original issue amount
 - o Maximum Maturity: Not to exceed five (5) years or with a put provision within five (5) years of settlement date
 - o Minimum Rating: AA- or equivalent by at least one Rating Agency, and not lower than A by any Rating Agency
 - o Other Restrictions: none
- Municipal Notes:
 - o Maximum Share of Portfolio: 40% of the Portfolio together with Municipal Bonds
 - o Maximum Issuer Limit: 20% of the Portfolio
 - o Maximum Issue limit: 10% of original issue amount
 - o Maximum Maturity: n/a
 - o Minimum Rating: Notes maturing within 365 days must have a rating of SP-1+ from at least one Rating Agency
 - o Other Restrictions: none

**Investment
Placement**

Investment placement shall be determined by, but not limited to, continual evaluation and projection of market conditions, interest rate trends, cash flow needs, economic data, yield curves, and interest rate forecasts. Additionally, for investments purchased or sold in the secondary market, best efforts will be made to obtain at least three quotations from Purchasing Entities (as defined below) or obtain timely and verifiable third-party market pricing data for the investment in question. The combination of these factors shall determine where, in what denomination, and for what maturity investments are made.

**Selling Securities
Prior To Maturity**

When selling securities prior to maturity, principal losses are only allowable either:

- if the sale of securities is necessary to meet payment obligations,
 - to comply with this policy, while considering the impact of the sale(s), or
 - if the proposed sale is to be made in conjunction with a purchase and the proposed sale in combination with the subsequent purchase can enhance the Portfolio's yield.
-

Collateral

Securities placed with agents of depository shall at all times be maintained as specified in District Resolution 33232-01 in one or more trust companies, State or national banks located within California, the Federal Reserve Bank, or with any state or national bank located in any city designated as a federal reserve city by the Board of Governors of the Federal Reserve System, and to take from any such banks or trust companies receipts for securities so deposited. Requests for Collateral substitution and releases are subject to the Treasurer's written approval.

**Purchasing
Entities**

Investments will be purchased from either:

- Primary Dealers as designated by the Federal Reserve Bank of New York,
- National or California State Chartered Banks,
- Federal or California Chartered Savings Institution,
- Broker-Dealers registered with the State of California, or
- Issuers of securities eligible for purchase by the District.

In addition, these institutions must:

- be registered by the Securities and Exchange Commission (SEC),
- be members in good standing of the Financial Industry Regulatory Authority (FINRA).

The District shall maintain a current eligible list of established dealers, brokers, banks and savings and loan associations with which securities trading and placement of funds are authorized.

Additionally, to be placed on the eligible list, individuals need to certify in writing that they have read, understood, and agree to comply with this policy, where applicable, by completing and filing with the District the 'Certification of Compliance with Investment Policy' included in this policy as Exhibit 2.

Eligibility may be revoked at any time, in the District's sole discretion, for any reason, including but not limited to, failure to meet the above requirements.

**Trade
Confirmations and
Settlements**

To ensure a high degree of internal control, the District shall comply with the following:

1. All Securities purchased from dealers and brokers shall be held in safekeeping by the District's custodial bank, a national bank, a State chartered bank or trust company, established for this purpose as someone other than the selling party of the security. Securities purchased will be covered by a trust or safekeeping receipt in a manner that establishes the District's ownership. All transactions require delivery of the security prior to payment for the security (delivery vs. payment).

2. All trade confirmations shall be received directly and reviewed for conformity to the original transaction by an individual other than the person originating the transaction. Any discrepancies will be brought to the attention of the Treasurer.
-

**Review And
Reporting
Requirements**

On a monthly basis, in accordance with Section 53607 of the Code, the Treasurer shall prepare and submit a report to the General Manager and the Board of Directors listing investment transactions.

On a quarterly basis, in accordance with Section 53646 of the Code, the Treasurer may prepare and submit a report to the General Manager and the Board of Directors which shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and moneys held by the District, and provide an investment summary by security type, percent of the portfolio, investment yield and the remaining period of investment to maturity.

On an annual basis, in accordance with Section 53646 of the Code, an investment policy may be presented to the Board for consideration at a public meeting. In conjunction with the investment policy consideration, the Board shall also annually review the delegation of its authority for the management of investments to the Treasurer.

**Performance
Review And
Internal Control**Office of Internal Audit

The Office of Internal Audit will periodically audit the investment portfolio to evaluate the effectiveness of the District's investment program as well as its compliance with the Investment Policy. These audits will supplement the annual review by the District's external auditors.

Finance Department

The Treasurer will review the investment portfolio monthly for compliance with the Investment Policy and make recommendations for changes and improvements where warranted.

Authority

Resolution No. 33019-96 on December 10, 1996
Amended by Resolution No. 33134-99 on January 26, 1999
Amended by Resolution No. 33232-01 on January 9, 2001
Amended by Resolution 33287-02 on January 22, 2002
Amended by Resolution 33350-03 on February 25, 2003
Amended by Resolution 33390-04 on January 27, 2004
Amended by Resolution 33464-05 on February 22, 2005
Amended by Resolution 33516-06 on January 24, 2006
Amended by Resolution 33585-07 on March 13, 2007
Approved by Resolution 33658-08, February 26, 2008
Approved by Resolution 33702-09, February 24, 2009
Approved by Resolution 33752-10, January 26, 2010
Approved by Resolution 33792-10, November 23, 2010
Approved by Resolution 33871-12, April 24, 2012
Approved by Resolution 33920-13, March 26, 2013
Reaffirmed by Motion 056-14, March 25, 2014
Approved by Resolution 34027-15, April 28, 2015
Approved by Resolution 34079-16, April 26, 2016

Approved by Resolution 35033-17, April 25, 2017
Approved by Resolution XXXXX-18, April 24, 2018

Reference

Procedure 601 – Conflict of Interest Disqualification Procedure

EXHIBIT 1 RATING AGENCIES' SCALES

For purposes of Investment Policy 4.07 the term "Rating Agencies" is defined as: Standard & Poor's Financial Services (S&P), Moody's Investors Service (Moody's), and Fitch Ratings (Fitch).

Ratings requirements are provided using the S&P scale and should be read as "or equivalent" to other Rating Agencies scales. The equivalencies are provided in the tables below.

EXAMPLE

Investment Option 6, Certificates of Time Deposits, shows:

"Minimum Rating: AA- by at least one Rating Agency"

This requirement should be read as:

"Minimum Rating: AA- *or equivalent* by at least one Rating Agency."

To determine the equivalent rating in the table below, find the AA- rating under the S&P column and read across the row to find the Moody's equivalent rating of Aa3 and the Fitch equivalent rating of AA-. Accordingly, a Certificate of Time Deposit is equivalent as an investment if it is rated AA- by S&P, Aa3 by Moody's, or AA- by Fitch.

INVESTMENT-GRADE RATING SCALES

LONG-TERM DEBT		
S&P	MOODY'S	FITCH
AAA	Aaa	AAA
AA+	Aa1	AA+
AA	Aa2	AA
AA-	Aa3	AA-
A+	A1	A+
A	A2	A
A-	A3	A-
BBB+	Baa1	BBB+
BBB	Baa2	BBB
BBB-	Baa3	BBB-

← Minimum rating required for district investments

SHORT-TERM DEBT		
S&P	MOODY'S	FITCH
A-1+	P-1	F1+
A-1	-	F1
A-2	P-2	F2
A-3	P-3	F3

← Minimum rating required for district investments

FUNDS		
S&P	MOODY'S	FITCH
AAAm	Aaa-mf	AAAf
AAm	Aa-mf	AAf
Am	A-mf	Af
BBBm	Baa-mf	BBBf

← Minimum rating required for district investments

EXHIBIT 2
East Bay Municipal Utility District
Certification of Compliance with Investment Policy

The East Bay Municipal Utility District (the District), under Policy 4.07 (the Investment Policy), requires that securities trading and placement of funds be conducted only with eligible Purchasing Entities. The Investment Policy also specifies that the District must obtain written certification that eligible Purchasing Entities have read, understood, and agree to comply with the Investment Policy, where applicable. This certification is necessary to be included on an approved list of Purchasing Entities that are eligible to conduct investment transactions with the District. The District has no obligation to enter into securities trading and/or placement of funds transactions with any or all Purchasing Entities on the list. The District retains the sole and exclusive discretion to determine with which of the Purchasing Entities, if any, to engage in individual investment transactions. Eligibility may be revoked at any time, at the District's sole discretion, for any reason, including but not limited to, failure to meet the requirements of the policy and this exhibit.

Please complete the sections below, sign and return this completed form if you wish to be considered for inclusion on the approved list of Purchasing Entities eligible to conduct investment transactions with the District.
Please send completed form:

<u>via mail, to:</u> Damien Charléty East Bay Municipal Utility District 375 11 th Street, MS809 Oakland, CA 94607	and	<u>electronically, to:</u> damien.charlety@ebmud.com
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A. Entity Name _____

B. My entity is a: (choose all that apply, at least one must be checked for eligibility)

- ☐ Primary Dealer as designated by the Federal Reserve Bank of New York
- ☐ National or California State Chartered Bank
- ☐ Federal or California Chartered Savings Institution
- ☐ Broker-Dealer registered with the State of California

AND

I certify that my entity is: (both must be checked for eligibility)

- ☐ registered by the Securities and Exchange Commission (SEC)
- ☐ a member in good standing of the Financial Industry Regulatory Authority (FINRA)

C. My entity is an:

- ☐ Issuer of securities eligible for purchase by the District

D. My entity:

- ☐ participates in the District's Contract Equity Program

I certify that I have read, understood, and agree to comply where applicable with the District's Investment Policy.

Print Name _____

Sign Name _____

Title _____

Date _____

EXHIBIT 3
East Bay Municipal Utility District
Investment Policy Quick Reference Table

The following is a summary of Investment Options and a few of their requirements. Full details on each Investment Option can be found in the main body of the Investment Policy on pages 2 through 5.

Investment Option	Maximum Share of Portfolio	Minimum Rating at purchase	Maximum Maturity at settlement	Additional Limitations
United States Treasury Obligations	100%	n/a	5 years	see page 2, Item 1
United States Government Agencies Obligations	100%	n/a	5 years	see page 3, Item 2
State of California, Local Agency Investment Fund	per Code	n/a	n/a	see page 3, Item 3
Local Government Investment Pools	20%	AAAm	n/a	see page 3, Item 4
Money Market Mutual Funds	20%	AAAm	n/a	see page 3, Item 5
Certificates of Time Deposit	20%	AA-	1 year	see page 3-4, Item 6
Negotiable Certificates of Deposit		AA-	5 years	see page 4, Item 7
Commercial Paper	20%	A-1+	270 days	see page 4, Item 9
Medium Term Corporate Notes	30%	AA-	5 years	see page 4, Item 9
Repurchase Agreements	20%	n/a	270 days	see page 5, Item 10
Municipal Obligations	40%	AA-	5 years	see page 5, Item 11

EXHIBIT 4
Glossary of Commonly Used Investment Terms

This Glossary is for informational purposes only and is not intended to modify any of the terms of this Investment Policy, the Code, or M.U.D. Act.

ACCRUED INTEREST	The amount of interest that is earned but unpaid since the last interest payment date.
ASK PRICE	The price at which securities are offered from a seller.
AVERAGE MATURITY	A calculation that expresses the average maturity of an investment portfolio using each investment's maturity weighted by the size of that investment in the portfolio.
BASIS POINT	One basis point equals 1/100 of one percent. Basis points are used more often to describe changes in yields on bonds, notes and other fixed-income securities.
BID PRICE	The price at which a buyer offers to buy a security.
BOOK VALUE	The original cost of the investment, plus accrued interest and amortization of any premium or discount.
BROKER	A broker brings buyers and sellers together and is compensated for his/her service.
CALL PRICE	The price at which an issuer may redeem a bond prior to maturity.
CALLABLE BONDS	Bonds that may be redeemed by the issuing company prior to the maturity date.
CERTIFICATE OF DEPOSIT (CD)	A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CDs are typically negotiable.
COLLATERAL	Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.
COMMERCIAL PAPER (CP)	Short-term unsecured promissory notes.
COUPON	The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.
CURRENT YIELD	The annual income from an investment divided by the current market value.
CUSTODIAN	A bank or other financial institution that keeps custody of stock certificates and other assets.
DEALER	A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.
DELIVERY VS. PAYMENT (DVP)	Delivery of securities with a simultaneous exchange of money for the securities.
DISCOUNT	The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.
DIVERSIFICATION	An investment principle designed to spread the risk in a portfolio by dividing investments among different sectors, industries and companies.
FIXED-INCOME SECURITIES	Securities that return a fixed income over a specified period.
GOVERNMENT SECURITIES	Obligations of the U.S. Government and its agencies and instrumentalities.
INTEREST	The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.
LIQUIDITY	The speed and ease with which an investment can be converted to cash.
MARKET VALUE	The price at which a security is trading and could presumably be purchased or sold.
MATURITY	The date upon which the principal or stated value of an investment

	becomes due and payable.
MEDIUM TERM NOTES (MTN)	Debt securities issued by a corporation or depository institution with a remaining maturity ranging from nine months to five years.
MONEY MARKET MUTUAL FUNDS	An investment company that pools money from investors and invest in a variety of short-term money market instruments.
NET ASSET VALUE (NAV)	A per-share valuation of a mutual fund based on total assets minus total liabilities.
NON-CALLABLE	Bond that cannot be called at the option of the issuer.
OFFER PRICE	The price asked by a seller of securities.
PAR or PAR VALUE	The amount of principal that must be paid on the maturity date. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.
PREMIUM	The difference between the par value of a bond and the market value of the bond, when the market value is above par.
PRIMARY DEALER	A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight.
PRINCIPAL	The face value or par value of an investment.
RATE OF RETURN	The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.
REPURCHASE AGREEMENT	The purchase of securities, on a temporary basis, with the seller's simultaneous agreement to repurchase the securities back at a later date at a specified price that includes interest for the buyer's holding period.
SAFEKEEPING	Storage and protection of a customer's financial assets, valuables, or documents, provided as a service by an institution serving as Agent or Custodian and, where control is delegated by the customer.
SECONDARY MARKET	A market made for the purchase and sale of outstanding issues following the initial distribution.
SETTLEMENT DATE	The date when the security is delivery in exchange for the corresponding payment.
TREASURY BILLS	A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.
TREASURY BONDS	Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years from date of issue.
TREASURY NOTES	Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years from date of issue.
U. S. GOVERNMENT AGENCY SECURITIES	Debt securities issued by U.S. Government sponsored enterprises and federally related institutions.
U.S. TREASURY SECURITIES	Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States.
YIELD TO CALL (YTC)	The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date.
YIELD TO MATURITY (YTM)	The rate of return earned on an investment held to maturity considering all cash flows and timing factors: interest earnings, discounts, and premiums above par.
YIELD	The annual rate of return on a debt investment expressed as a percentage.

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: April 19, 2018

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager *ARC*

FROM: Sophia D. Skoda, Director of Finance *SDS for SDS*

SUBJECT: Liquidity Facility Contract Extension

SUMMARY

U.S. Bank National Association (U.S. Bank) provides liquidity support for the District's Water Revenue Refunding Bonds, Series 2008A-2 and Series 2008A-3, outstanding in the total amount of \$48.6 million. These bond series are variable rate demand obligations and liquidity support is an essential component of their financing structure.

The liquidity support takes the form of a Standby Bond Purchase Agreement (SBPA). The District's SBPA with U.S. Bank expires in July 2018. U.S. Bank has proposed to extend the SBPA for three and a half years (to January 2022) at a fee of 0.32 percent (32 basis points) per annum (based on the District's current credit ratings). This 32 basis point fee is lower than the agreement's current fee of 35 basis points. This proposal is very competitive in light of recent fee increases and the high cost of implementing alternative options. The purpose of the current action is to adopt a resolution authorizing execution of the related legal documents. This proposal will be presented and discussed with the Finance/Administration Committee on April 24, 2018.

DISCUSSION

Pursuant to the approved FY18 Financing Plan, expiration of the U.S. Bank SBPA must be addressed. The SBPA provides liquidity support to Water Revenue Refunding Bonds, Series 2008A-2 and Series 2008A-3. The Water Series 2008A-2 and 2008A-3 Bonds (\$48.6 million outstanding) are variable rate demand bonds (VRDBs). VRDBs must be remarketed weekly and require SBPAs to provide backup liquidity in case the bonds cannot be remarketed. The District originally entered into the SBPA for these series with U.S. Bank in January 2013. The agreement was extended in May 2015 and will expire on July 2, 2018. U.S. Bank has proposed to extend the agreement for an additional three and a half years, and is willing to do so at a lower fee (subject to maintenance of the District's current credit ratings) and with more flexible termination terms. This action supports the District's Long-Term Financial Stability Strategic Plan goal.

U.S. Bank's SBPA was originally selected in 2013 as a result of a Request for Proposals (RFP). With the term of the agreement approaching, an extension is considered optimal because

switching to a new liquidity provider has additional associated costs similar to a new bond financing. These costs would include bond counsel, rating, and printing costs among others, and would total an estimated \$120,000 to \$165,000. The cost of extending instead of replacing the existing SBPA is comparatively low at approximately \$30,000 as it eliminates the majority of the costs of switching to a new provider and dramatically cuts other costs. Thus, extending the existing agreement saves the District at least \$90,000 in issuance costs.

U.S. Bank initially offered to lower its fee to 34 basis points. Staff worked with the District's Financial Advisor to estimate the offers we could receive through the issuance of an RFP, and it was decided that 34 basis points was very competitive. The current proposal is extremely attractive in comparison to liquidity facilities offered to other agencies over the past year that range from 34 basis points to 52 basis points, depending on credit quality. As staff started work to extend the contract, the District received an unsolicited offer from another bank of 28 basis points. Staff communicated this to U.S. Bank, and they were willing to decrease their fee from 34 to 32 basis points. U.S. Bank is also willing to extend the agreement for an additional three and a half years (to January 2022), compared to three years offered by the other bank, and waive typical termination provisions, allowing the District to terminate the agreement at any time without penalty.

U.S. Bank's offer to lower the fee and extend the term of the agreement by six months is particularly attractive in light of an uncertain fee environment post tax reform. While the unsolicited offer received is lower than the U.S. Bank proposal, it would only create cost savings of \$60,000 and would create additional issuance costs of at least \$90,000. Thus, maintaining U.S. Bank's SBPA at the lower fee is the most beneficial approach to take.

NEXT STEPS

Staff plans to ask the Board of Directors to consider the agreement with U.S. Bank at its May 22, 2018 meeting and asks that the Finance/Administration Committee recommend this course of action.

DSK:TG

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: April 19, 2018

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager *ARC*

FROM: Eileen M. White, Director of Wastewater *Eileen M. White*

SUBJECT: Wastewater Cost of Service Study

SUMMARY

State law and District policy require that the District's rates and charges be based on the cost of providing service. A cost of service (COS) study allocates operating and capital costs to each type of customer based on both the customer's wastewater discharge characteristics and the wastewater facility design and operations. The nexus between the wastewater discharge and cost forms the financial and legal basis for setting utility rates and charges. Over time, both customer wastewater discharge characteristics and costs can change and a COS study helps reconcile these changes with revenues under existing wastewater rates and charges.

It is the District's policy to periodically review and update its COS studies to ensure that wastewater service charges and fees remain correctly proportioned in light of changing conditions. Industry best practice involves the periodic engagement of independent third-party experts to conduct these COS studies.

Staff proposes to hire a consultant to review and consider updates to the current COS study for its wastewater rates and charges. The study scope would include the following tasks: conduct a critical review and update of the current wastewater COS and cost allocation method, evaluate the Wastewater Capacity Fee (WCF) program, and perform a rate and fee comparison analysis with similar agencies. The goal is to ensure that wastewater service charges and fees reflect current conditions and are equitably allocated among all customers. Changes to cost allocations and COS analysis developed for this effort will be incorporated in the District's financial planning and rate model for use in the upcoming budgeting process.

Conducting this study supports the District's Long-Term Financial Stability Strategic Plan goal for implementing rates and charges that are legal, fair, reasonable, and equitable. This item will be reviewed with the Finance/Administration Committee on April 24, 2018.

DISCUSSION

The District has regularly conducted third-party COS studies for its water and wastewater rates and charges. Most recently, in 2015, the District retained Raftelis Financial Consultants (RFC) to

perform a COS study for the water and wastewater systems. The wastewater portion of the study resulted in a new financial planning model and a COS for the wastewater rates, including a new wet weather facilities rate structure.

For the proposed update to the wastewater COS study, the District will request the selected consultant to review and update the detailed cost allocations for the unit processes at the Main Wastewater Treatment Plant (MWWTP). The consultant's review will include an analysis of the Resource Recovery (R2) program high-strength and solid-liquid waste receiving stations at the MWWTP. Deliveries of trucked waste under the R2 program have increased significantly since the 2015 update and now account for a significant share of user loadings and process costs at the MWWTP. Existing unit processes such as digestion, power generation, and dewatering have been significantly impacted by R2 waste streams. For example, the power generation station and dewatering equipment underwent major upgrades and reliability improvements to accommodate increased loading due to the R2 program. The COS study will consider these changed conditions and update the cost allocations, as appropriate.

Another area of review will focus on wastewater strength. The study will evaluate the use of more commonly used methods of measuring wastewater strength than the District's current method (i.e., chemical oxygen demand filtered). A more commonly used method of measuring wastewater strength will facilitate comparison of the District's wastewater rate structure with the rates charged by other agencies.

Finally, the District is seeking to streamline and simplify WCF calculations for new customer applications and update the underlying assumptions of those calculations. Currently, the WCF is based on a service area buildout projection with a maximum plant usage of 85 million gallons per day (MGD); the buildout projection will be reviewed and updated, as needed, as part of the study. Moreover, the District's current procedures for calculating WCFs for new nonresidential customers are complex and involve significant staff time to implement. The current process involves estimating an applicant's monthly maximum wastewater discharge volume using assumptions of wastewater generation based on proposed business uses provided by the applicant. The study will identify options for streamlining this process, which will result in reduced labor costs for the District and will be more user-friendly for customers.

The results of the COS update and WCF recommendations will be incorporated into the budgeting rate-setting process for Fiscal Year (FY) 2020.

FISCAL IMPACT

Funds are available for this work in the FY18/19 operating budget.

NEXT STEPS

Staff will recommend that the Board of Directors consider authorizing an agreement with the selected consultant at its May 8, 2018 meeting. The COS study will be completed by the end of calendar year 2018, prior to development of the next biennial budget and rate package.

ARC:EMW:TB

