EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: April 17, 2014

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager ARC

FROM: Eric L. Sandler, Director of Finance

SUBJECT: Quarterly Investment Report – March 31, 2014

SUMMARY

File the March 31, 2014 quarterly investment report with the Board in accordance with Section 53646 of the Government Code which requires the Treasurer of the District to submit to the General Manager, the Internal Auditor, and the Board of Directors a quarterly investment report.

This report will be reviewed with the Finance/Administration Committee on April 22, 2014.

DISCUSSION

The investments held by the District on March 31, 2014 are shown in Attachment A and totaled $485.7 million. The portfolio yielded 0.37%. The investment portfolio is in full compliance with the Board's adopted policy regarding District investments. The investment portfolio includes Debt Service Reserve Funds of approximately $34.2 million and $2.5 million respectively for the Water and Wastewater Systems that are invested in Federal Agency notes, an investment agreement and short term money market funds. In addition, proceeds of the Capitalized Interest fund from the Wastewater Series 2010B bonds are included in the portfolio and are invested in a Federal Agency note and short term money market fund.

In compliance with Section 53646(b)3 of the Government Code, this report denotes that the District will be able to meet expenditure requirements for the next six months from a combination of maturing investments and revenues from budgeted operations.

As directed by Resolution 30127, Attachment B for the quarter ending March 31, 2014 lists investment transactions covering the period January 1, 2014 through March 31, 2014.

Attachment C 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. It also shows the composition and credit allocation of the District's investment portfolio. On March 31, 2014, the Federal Funds Rate was 0.25% and the yield on the 90-day Treasury bill was 0.03%. A forecast of the projected cash balance of the Water and Wastewater System General Funds for the next six months is also included.

ARC:ELS

Attachment A Portfolio Summary as of March 31, 2014
Attachment B Quarterly Investment Transactions as of March 31, 2014
Attachment C Yield and Composition of Investment Portfolio as of March 31, 2014

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EAST BAY MUNICIPAL UTILITY DISTRICT
Portfolio Management
Portfolio Summary
March 31, 2014

ATTACHMENT A

Description	Face Amount Shares	Market Value	Book Value	% of Portfolio	YTM @ Cost	Days To Maturity
Federal Agency Issues Coupon	221,193,000.00	220,812,458	221,179,811	45.49	0.36	407
Money Market Mutual Funds	141,568,442.10	141,568,442	141,568,442	29.16	0.03	1
LAIF Local Government Investment Pool	65,244,606.41	65,244,606	65,244,606	13.44	0.24	1
Municipal Bonds	13,565,000.00	13,569,387	13,580,760	2.80	0.63	522
Guaranteed Investment Contracts	12,000,000.00	12,000,000	12,000,000	2.47	4.86	7732
Medium Term Notes	10,850,000.00	11,268,545	11,254,841	2.32	0.83	865
Certificates of Time Deposit	10,945,000.00	10,945,000	10,945,000	2.25	0.37	192
Commercial Paper	10,000,000.00	10,000,000	9,997,214	2.06	0.17	59
Total / Average	485,366,048.51	485,408,438	485,770,675	100.00	0.37	417

4/8/14

Eric L. Sandler, Director of Finance

Date

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EAST BAY MUNICIPAL UTILITY DISTRICT
Portfolio Management
Portfolio Details - Investments
March 31, 2014

Description	CUSIP	Settlement Date	Face Amount Shares	Market Value	Book Value	Cost Value	Moodys	S&P	YTM @ Cost	Days To Maturity
Federal Agency Issues Coupon										
FHLB 0.11 5/22/2014	3130A0CA6	11/22/2013	50,000,000.00	50,004,000	50,000,000	50,000,000	Aaa	AA+	0.11	52
FHLB 0.09 5/1/2014	3130A0B66	11/8/2013	50,000,000.00	50,000,500	49,999,555	49,997,500	Aaa	AA+	0.10	31
FHLMC 0 5/23/2014	313397XD8	12/11/2013	20,000,000.00	19,999,200	19,996,761	19,990,039	Aaa	AA+	0.11	53
FHLB 0.15 9/12/2014	3130A0GJ3	12/13/2013	15,000,000.00	15,003,750	15,000,000	15,000,000	Aaa	AA+	0.15	165
FFCB 0.59 5/2/2016-13	3133EAB56	10/24/2013	10,000,000.00	10,000,600	9,997,929	9,997,500	Aaa	AA+	0.60	763
FNMA 0.56 6/27/2016	3135G0SR5	12/27/2012	10,000,000.00	9,978,200	10,000,000	10,000,000	Aaa	AA+	0.56	819
FFCB 0.6 9/12/2016-14	3133EDBC5	12/12/2013	6,000,000.00	5,976,420	6,000,000	6,000,000	Aaa	AA+	0.60	896
FFCB 0.55 5/12/2016-14	3133ED6Z0	11/13/2013	5,000,000.00	5,000,150	4,998,939	4,998,750	Aaa	AA+	0.56	773
FNMA 0.55 5/27/2016	3136G05W7	11/27/2012	5,000,000.00	4,998,650	5,000,000	5,000,000	Aaa	AA+	0.55	788
FNMA 0.55 6/24/2016	3136G13H0	12/24/2012	5,000,000.00	4,990,950	5,000,000	5,000,000	Aaa	AA+	0.55	816
FNMA 0.56 6/27/2016	3135G0SR5	12/27/2012	5,000,000.00	4,989,100	5,000,000	5,000,000	Aaa	AA+	0.56	819
FHLB 1 1/16/2018	313381M69	1/16/2013	5,000,000.00	4,912,650	5,000,000	5,000,000	Aaa	AA+	1.00	1387
FNMA 1.05 2/27/2018-15	3136G1DG1	2/27/2013	5,000,000.00	4,890,050	4,998,533	4,998,125	Aaa	AA+	1.06	1429
FNMA 1 6/27/2018	3136G16F1	12/27/2012	5,000,000.00	4,884,650	5,000,000	5,000,000	Aaa	AA+	1.00	1549
FHLMC 0.875 2/28/2017-14	3134G4UY2	2/28/2014	4,000,000.00	3,982,440	4,000,000	4,000,000	Aaa	AA+	0.88	1065
FHLB 0.575 7/29/2016-14	313381VK8	11/15/2013	3,500,000.00	3,494,610	3,494,342	3,493,438	Aaa	AA+	0.65	851
FHLMC 0.85 11/28/2016-14	3134G4LB2	3/10/2014	2,490,000.00	2,484,821	2,490,000	2,490,000	Aaa	AA+	0.85	973
FNMA 0.75 7/26/2016-13	3135G0MX8	2/7/2013	2,000,000.00	2,000,840	2,000,000	2,000,000	Aaa	AA+	0.75	848
FHLB 0.65 9/12/2016-14	3130A16M5	3/12/2014	2,000,000.00	1,993,760	2,000,000	2,000,000	Aaa	AA+	0.65	896
FHLB 0.65 12/19/2016-14	3130A14P0	3/19/2014	2,000,000.00	1,992,160	2,000,000	2,000,000	Aaa	AA+	0.65	994
FHLMC 0.875 2/28/2017-14	3134G4UY2	2/28/2014	2,000,000.00	1,991,220	2,000,000	2,000,000	Aaa	AA+	0.88	1065
FNMA 1.05 2/27/2018-15	3136G1DG1	2/27/2013	2,000,000.00	1,956,020	2,000,000	2,000,000	Aaa	AA+	1.05	1429
FNMA 2 2/25/2016	3136FPCF2	8/25/2010	1,700,000.00	1,750,218	1,699,706	1,699,150	Aaa	AA+	2.01	696
FNMA 2 2/25/2016	3136FPCF2	8/25/2010	1,100,000.00	1,132,494	1,099,810	1,099,450	Aaa	AA+	2.01	696
FNMA 0.75 7/26/2016-13	3135G0MX8	12/11/2013	1,000,000.00	1,000,420	1,000,000	1,000,000	Aaa	AA+	0.75	848
FNMA 0.8 7/26/2016-13	3136G0SQ5	10/23/2013	1,000,000.00	1,000,400	1,000,432	1,000,513	Aaa	AA+	0.78	848
FNMA 2.5 5/15/2014	31398AXJ6	10/25/2010	403,000.00	404,185	403,806	426,241	Aaa	AA+	0.85	45
		Sub Total / Average	**221,193,000.00**	**220,812,458**	**221,179,811**	**221,190,705**			**0.36**	**407**
Money Market Mutual Funds										
ML Institutional Fund MM	MM5003	6/30/2011	48,111,955.83	48,111,956	48,111,956	48,111,956	Aaa	AAA	0.03	1
UBS Financial MM	MM5891	4/18/2012	28,516,789.19	28,516,789	28,516,789	28,516,789	Aaa	AAA	0.05	1
Federated MM	MM0590	6/30/2011	17,102,012.59	17,102,013	17,102,013	17,102,013	Aaa	AAA	0.01	1
Federated MM	MM0590	6/30/2011	15,200,730.68	15,200,731	15,200,731	15,200,731	Aaa	AAA	0.01	1
UBS Financial MM	MM5891	6/30/2011	15,008,836.45	15,008,836	15,008,836	15,008,836	Aaa	AAA	0.05	1
ML Institutional Fund MM	MM5003	10/19/2012	6,001,491.38	6,001,491	6,001,491	6,001,491	Aaa	AAA	0.03	1
Dreyfus MM	MM2642	6/30/2011	4,649,075.42	4,649,075	4,649,075	4,649,075	Aaa	AAA	0.00	1
Dreyfus MM	MM7014	6/30/2011	2,538,037.29	2,538,037	2,538,037	2,538,037	Aaa	AAA	0.00	1
Dreyfus MM	MM1724	6/30/2011	2,421,311.11	2,421,311	2,421,311	2,421,311	Aaa	AAA	0.00	1
Dreyfus MM	MM7813	6/30/2011	636,999.24	636,999	636,999	636,999	Aaa	AAA	0.00	1

Description	CUSIP	Settlement Date	Face Amount Shares	Market Value	Book Value	Cost Value	Moodys	S&P	YTM @ Cost	Days To Maturity
Dreyfus MM	MM6395	6/30/2011	579,363.33	579,363	579,363	579,363	Aaa	AAA	0.00	1
ML Institutional Fund MM	MM5003	6/30/2011	400,099.43	400,099	400,099	400,099	Aaa	AAA	0.03	1
Dreyfus MM	MM1445	6/30/2011	240,449.85	240,450	240,450	240,450	Aaa	AAA	0.00	1
Dreyfus MM	MM6999	6/30/2011	161,290.21	161,290	161,290	161,290	Aaa	AAA	0.00	1
Dreyfus MM	MM2650	5/31/2011	0.1	0	0	0	Aaa	AAA	0.00	1
		Sub Total / Average	**141,568,442.10**	**141,568,442**	**141,568,442**	**141,568,442**			**0.03**	**1**
LAIF Local Government Investment Fund										
LAIF LGIP	LGIP1001	6/30/2011	26,321,100.00	26,321,100	26,321,100	26,321,100	NR	NR	0.24	1
LAIF LGIP	LGIP1005	6/30/2011	15,244,606.41	15,244,606	15,244,606	15,244,606	NR	NR	0.24	1
LAIF LGIP	LGIP1001	6/30/2011	14,576,800.00	14,576,800	14,576,800	14,576,800	NR	NR	0.24	1
LAIF LGIP	LGIP1001	6/30/2011	4,137,600.00	4,137,600	4,137,600	4,137,600	NR	NR	0.24	1
LAIF LGIP	LGIP1001	6/30/2011	2,750,000.00	2,750,000	2,750,000	2,750,000	NR	NR	0.24	1
LAIF LGIP	LGIP1001	6/30/2011	2,000,000.00	2,000,000	2,000,000	2,000,000	NR	NR	0.24	1
LAIF LGIP	LGIP1001	6/30/2011	150,500.00	150,500	150,500	150,500	NR	NR	0.24	1
LAIF LGIP	LGIP1001	6/30/2011	64,000.00	64,000	64,000	64,000	NR	NR	0.24	1
		Sub Total / Average	**65,244,606.41**	**65,244,606**	**65,244,606**	**65,244,606**			**0.24**	**1**
Municipal Bonds										
Univ of California 0.392 5/15/2015	91412GPW9	3/14/2013	5,000,000.00	5,001,800	5,000,000	5,000,000	AA2	AA	0.39	410
Univ of California 0.659 5/15/2016	91412GPX7	3/14/2013	2,000,000.00	1,997,020	2,000,000	2,000,000	AA2	AA	0.66	776
Univ of California 0.966 5/15/2017	91412GPY5	3/14/2013	2,000,000.00	1,980,860	2,000,000	2,000,000	AA2	AA	0.97	1141
MTSACC 3.75 8/1/2014	623040EZ1	6/21/2012	1,610,000.00	1,627,984	1,625,760	1,708,790	AA2	AA	0.81	123
Newark Unified School District 0.99 8/1/2015	650264SY1	12/20/2012	1,000,000.00	1,005,910	1,000,000	1,000,000	NR	AA-	0.99	488
St Helena USD 0.442 8/1/2015	789636GY7	4/11/2013	805,000.00	805,048	805,000	805,000	NR	AAA	0.44	488
St Helena USD 0.362 8/1/2014	789636GX9	4/11/2013	600,000.00	600,198	600,000	600,000	NR	AAA	0.36	123
Newark Unified School District 0.76 8/1/2014	650264SX3	12/20/2012	550,000.00	550,567	550,000	550,000	NR	AA-	0.76	123
		Sub Total / Average	**13,565,000.00**	**13,569,387**	**13,580,760**	**13,663,790**			**0.63**	**522**
Guaranteed Investment Contracts										
FSA Capital Management 4.855 6/1/2035	S86264610	6/30/2011	12,000,000.00	12,000,000	12,000,000	12,000,000	A2	AA	4.86	7732
		Sub Total / Average	**12,000,000.00**	**12,000,000**	**12,000,000**	**12,000,000**			**4.86**	**7732**
Medium Term Notes										
IBM Credit Corp 1.95 7/22/2016	459200GX3	12/24/2012	5,000,000.00	5,144,800	5,126,148	5,195,200	AA3	AA-	0.84	844
GOOGLE 2.125 5/19/2016	38259PAC6	12/21/2012	3,450,000.00	3,562,539	3,549,859	3,609,390	AA2	AA	0.75	780
Johnson & Johnson 5.55 8/15/2017	478160AQ7	2/13/2014	1,000,000.00	1,141,000	1,153,118	1,158,830	Aaa	AAA	0.93	1233
Berkshire Hathaway 1.6 5/15/2017	084664BS9	2/13/2014	1,000,000.00	1,012,230	1,018,293	1,019,030	AA2	AA	1.00	1141
General Electric Capital Corp MTN 4.75 9/15/:	36962GK86	12/11/2012	400,000.00	407,976	407,424	428,416	A1	AA+	0.68	168
		Sub Total / Average	**10,850,000.00**	**11,268,545**	**11,254,841**	**11,410,866**			**0.83**	**865**
Certificates of Time Deposit										
Torrey Pines Bank 0.4 10/25/2014	CD1169D	10/25/2013	9,000,000.00	9,000,000	9,000,000	9,000,000	NR	NR	0.40	208
Torrey Pines Bank 0.3 6/14/2014	CD1198F	6/14/2013	1,000,000.00	1,000,000	1,000,000	1,000,000	NR	NR	0.30	75
Community Bank of the Bay 0.1 8/23/2014	CD1873D	8/23/2013	500,000.00	500,000	500,000	500,000	NR	NR	0.10	145

Description	CUSIP	Settlement Date	Face Amount Shares	Market Value	Book Value	Cost Value	Moodys	S&P	YTM @ Cost	Days To Maturity
Summit Bank 0.25 11/29/2014	CD8856D	11/29/2013	150,000.00	150,000	150,000	150,000	NR	NR	0.25	243
Community Bank of the Bay 0.18 10/29/2014	CD0645D	10/29/2013	100,000.00	100,000	100,000	100,000	NR	NR	0.18	212
Summit Bank 0.25 12/8/2014	CD1507D	12/8/2013	100,000.00	100,000	100,000	100,000	NR	NR	0.25	252
Metropolitan Bank 0.3 4/11/2014	CD0144A	4/17/2013	95,000.00	95,000	95,000	95,000	NR	NR	0.30	11
		Sub Total / Average	**10,945,000.00**	**10,945,000**	**10,945,000**	**10,945,000**			**0.37**	**192**
Commercial Paper Discount										
UC Regents 0 5/29/2014	91411UEV3	2/4/2014	10,000,000.00	10,000,000	9,997,214	9,994,617	P1	A1+	0.17	59
		Sub Total / Average	**10,000,000**	**10,000,000**	**9,997,214**	**9,994,617**			**0.17**	**59**
Total/Average			**485,366,049**	**485,408,438**	**485,770,675**	**486,018,026**			**0.37**	**417**

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EAST BAY MUNICIPAL UTILITY DISTRICT
Quarterly Investment Transactions
Three Months Ending
March 31, 2014

ATTACHMENT B

Asset Class	Description	CUSIP	Action	Settlement Date	YTM @ Cost	Face Amount/Shs	Principal
Water System							
Commercial Paper	UC Regents 0 5/29/2014	91411UEV3	Buy	2/4/2014	0.17	10,000,000	9,994,617
Medium Term Notes	Johnson & Johnson 5.55 8/15/2017	478160AQ7	Buy	2/13/2014	0.93	1,000,000	1,158,830
Medium Term Notes	Berkshire Hathaway 1.6 5/15/2017	084664BS9	Buy	2/13/2014	1.00	1,000,000	1,019,030
Federal Agency Issues Coupon	FNMA 1 11/28/2016-12	3136FTS26	Buy	2/19/2014	1.00	2,000,000	2,000,000
Federal Agency Issues Coupon	FHLMC 0.875 2/28/2017-14	3134G4UY2	Buy	2/28/2014	0.88	2,000,000	2,000,000
Federal Agency Issues Coupon	FHLMC 0.875 2/28/2017-14	3134G4UY2	Buy	2/28/2014	0.88	4,000,000	4,000,000
Federal Agency Issues Coupon	FHLB 0.65 12/19/2016-14	3130A14P0	Buy	3/19/2014	0.65	2,000,000	2,000,000
Wastewater System							
Federal Agency Issues Coupon	FHLMC 0.85 11/28/2016-14	3134G4LB2	Buy	3/10/2014	0.85	2,490,000	2,490,000
Federal Agency Issues Coupon	FHLB 0.65 9/12/2016-14	3130A16M5	Buy	3/12/2014	0.65	2,000,000	2,000,000

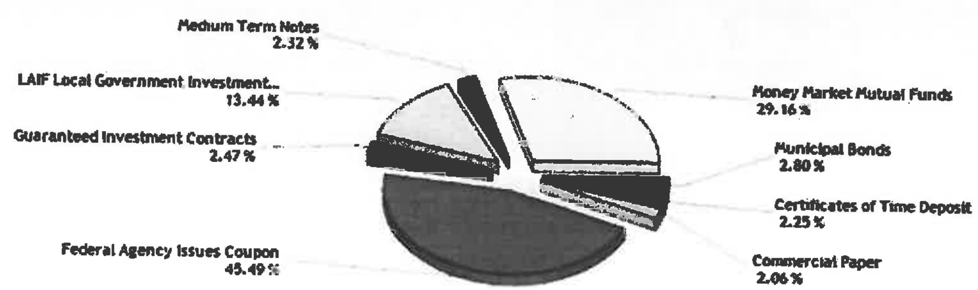
Eric L. Sandler, Director of Finance

4/8/14
Date

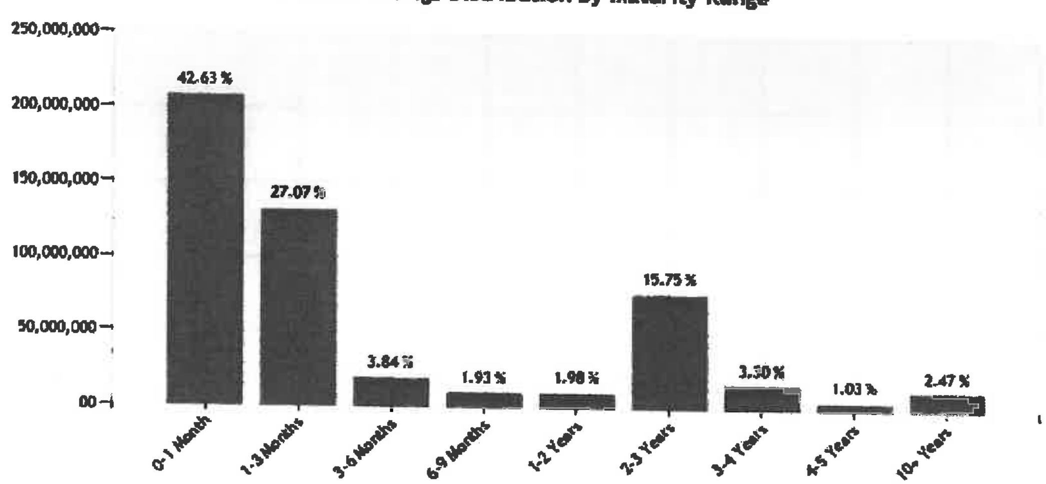
EAST BAY MUNICIPAL UTILITY DISTRICT
Investment Portfolio
Yield and Composition - by Asset Class
March 31, 2014

ATTACHMENT C

Portfolio Holdings Distribution by Asset Class



Portfolio Holdings Distribution by Maturity Range



10 + Years: Guaranteed Investment Contract (GIC) entered into as part of the Water 2005A Debt Service Reserve Fund. The investment in GIC is governed by the Water 2005 Indenture.

CREDIT ALLOCATIONS

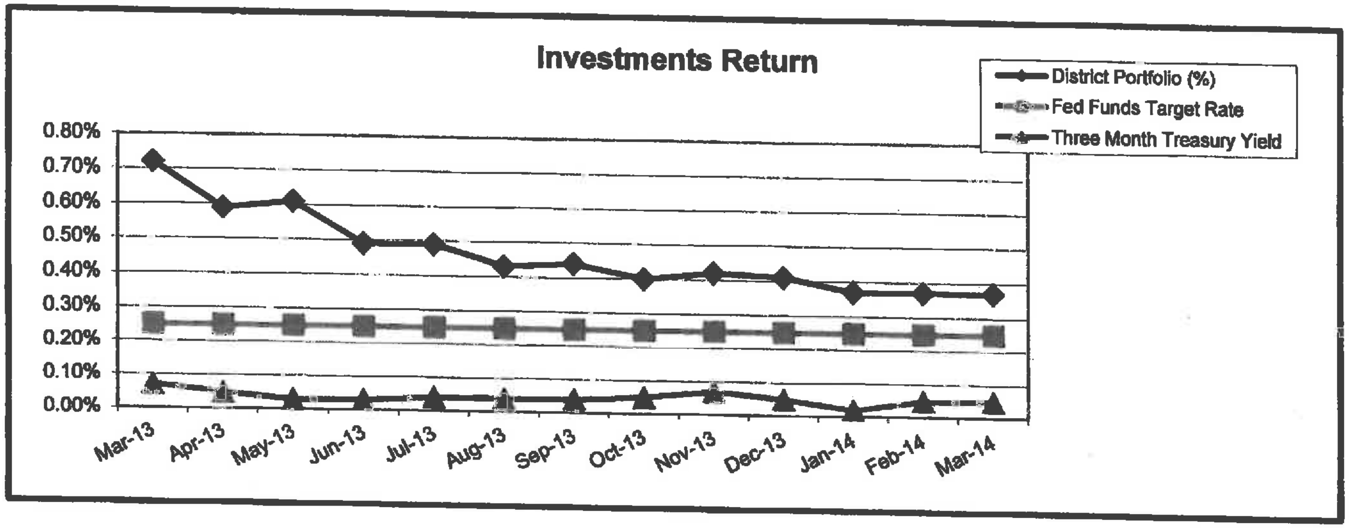
Rating Agency: Standard & Poors

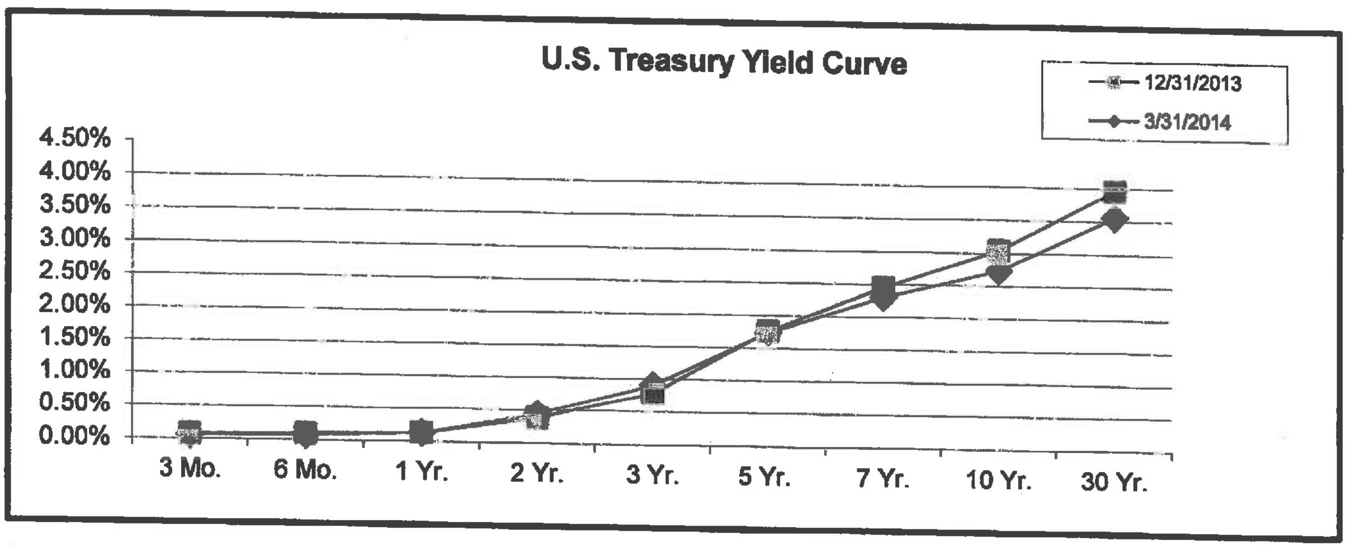
US Agencies (Aaa/AA+)	45%
AAA	32%
AA	7%
A	0%
Not Rated	16%
Total	100%

US Agencies	Incudes US Agencies and US Treasury Notes
AAA	Includes Corporate & Municipal Securities and AAA Rated Money Market Funds
AA	Includes Corporate & Municipal Securities and FSA GIC
A	Includes Corporate, Municipal Securities & Money Market Fund
NR	Includes investments in LAIF & Bank Certificate of Deposits

EAST BAY MUNICIPAL UTILITY DISTRICT
Investment Portfolio
Yield and Composition of Investment Portfolio
March 31, 2014

ATTACHMENT C





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EAST BAY MUNICIPAL UTILITY DISTRICT
Investment Portfolio
Yield and Composition of Investment Portfolio
March 31, 2014

ATTACHMENT C

Projected Cash Flow (in $Millions)

Water System

Month End	Matured Investments	Projected Receipts	Projected Disbursements	Projected Cash & Investments	Matured reinvested
Mar-14				340.0	
Apr-14		46.1	39.3	346.8	
May-14	130.0	46.4	117.7	275.5	130.0
Jun-14	1.0	101.1	46.7	329.9	1.0
Jul-14		52.0	39.0	342.9	
Aug-14	2.7	53.2	42.2	353.9	2.7
Sep-14	15.4	50.7	43.7	360.9	15.4

Wastewater System

Month End	Matured Investments	Projected Receipts	Projected Disbursements	Projected Cash & Investments	Matured reinvested
Mar-14				99.0	
Apr-14		14.3	6.5	106.8	
May-14		7.0	25.0	88.8	
Jun-14		7.8	9.8	86.8	
Jul-14		7.0	9.4	84.4	
Aug-14	0.6	8.2	8.7	83.9	0.6
Sep-14		6.7	8.7	81.9	