

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: August 7, 2014

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager 

FROM: Eric L. Sandler, Director of Finance 

SUBJECT: Quarterly Investment Report – June 30, 2014

SUMMARY

File the June 30, 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 August 12, 2014.

DISCUSSION

The investments held by the District on June 30, 2014 are shown in Attachment A and totaled \$478.79 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 \$29.3 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 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 lists investment transactions covering the period April 1, 2014 through June 30, 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 June 30, 2014, the Federal Funds Rate was 0.25% and the yield on the 90-day Treasury bill was 0.04%. A forecast of the projected cash balance of the Water and Wastewater System General Funds for the next six months is also included.

Attachment A Portfolio Summary as of June 30, 2014

Attachment B Quarterly Investment Transactions as of June 30, 2014

Attachment C Yield and Composition of Investment Portfolio as of June 30, 2014



EAST BAY MUNICIPAL UTILITY DISTRICT
Portfolio Management
Portfolio Summary
June 30, 2014

ATTACHMENT A

Description	Face Amount Shares	Market Value	Book Value	% of Portfolio	YTM @ Cost	Days To Maturity
Federal Agency Issues Coupon	179,350,000	179,202,369	179,441,386	37.44	0.39	471
Money Market Mutual Funds	133,560,267	133,560,267	133,560,267	27.91	0.03	1
LAIIF Local Government Investment Pool	64,354,099	64,354,099	64,354,099	13.45	0.23	1
CAMP CA Asset Mgmt Program	40,001,830	40,001,830	40,001,830	8.36	0.05	1
Medium Term Notes	13,850,000	14,524,328	14,479,396	3.03	0.88	840
Municipal Bonds	14,015,000	14,012,086	14,019,100	2.93	0.63	440
Guaranteed Investment Contracts	12,000,000	12,000,000	12,000,000	2.51	4.86	7641
Certificates of Time Deposit	10,945,000	10,945,000	10,945,000	2.29	0.38	138
Commercial Paper Discounted	10,000,000	10,000,000	9,991,722	2.09	0.20	149
Total / Average	478,076,196	478,599,979	478,792,800	100.00	0.37	413

Eric L. Sandler

7/8/14

Eric L. Sandler, Director of Finance

Date



EAST BAY MUNICIPAL UTILITY DISTRICT
Portfolio Management
Portfolio Details - Investments
June 30, 2014

Description	CUSIP	Settlement Date	Face Amount Shares	Market Value	Book Value	Cost Value	Moody's	S&P	YTM @ Cost	Days To Maturity
Federal Agency Issues Coupon										
FHLB 0.07 11/6/2014	3130A1VC9	5/9/2014	25,000,000	24,997,500	24,999,109	24,998,750	Aaa	AA+	0.08	129
FHLB 0.07 11/14/2014	3130A1YD4	5/14/2014	20,000,000	19,997,600	20,000,000	20,000,000	Aaa	AA+	0.07	137
FHLB 0 11/29/2014	313385R24	6/27/2014	15,000,000	14,996,250	14,994,966	14,994,867	Aaa	AA+	0.08	152
FHLB 0.15 9/12/2014	3130A0GJ3	12/13/2013	15,000,000	15,002,400	15,000,000	15,000,000	Aaa	AA+	0.15	74
FHLB 0 11/5/2014	313385N36	6/27/2014	12,900,000	12,897,291	12,896,560	12,896,479	Aaa	AA+	0.08	128
FFCB 0.59 5/2/2016-13	3133EAB56	10/24/2013	10,000,000	9,991,600	9,998,176	9,997,500	Aaa	AA+	0.60	672
FNMA 0.56 6/27/2016	3135GOSR5	12/27/2012	10,000,000	9,986,800	10,000,000	10,000,000	Aaa	AA+	0.56	728
FHLMC 0.75 11/25/2014	3137EACY3	6/27/2014	6,200,000	6,216,182	6,216,468	6,216,802	Aaa	AA+	0.09	148
FNMA 1.05 2/27/2018-15	3136G1DG1	2/27/2013	5,000,000	4,947,900	4,998,626	4,998,125	Aaa	AA+	1.06	1338
FNMA 1 6/27/2018	3136G16F1	12/27/2012	5,000,000	4,916,300	5,000,000	5,000,000	Aaa	AA+	1.00	1458
FFCB 0.55 5/12/2016-14	3133ED6Z0	11/13/2013	5,000,000	4,997,450	4,999,064	4,998,750	Aaa	AA+	0.56	682
FNMA 0.55 6/24/2016	3136G13H0	12/24/2012	5,000,000	4,989,300	5,000,000	5,000,000	Aaa	AA+	0.55	725
FNMA 0.56 6/27/2016	3135GOSR5	12/27/2012	5,000,000	4,983,400	5,000,000	5,000,000	Aaa	AA+	0.56	728
FHLB 1.5 5/15/2017-15	3130A1TY4	5/15/2014	5,000,000	5,049,500	5,049,578	5,051,750	Aaa	AA+	1.15	1050
FHLB 1 1/16/2018	313381M69	1/16/2013	5,000,000	4,951,650	5,000,000	5,000,000	Aaa	AA+	1.00	1296
FHLMC 0.625 12/29/2014	3137EADA4	6/30/2014	4,500,000	4,511,115	4,511,835	4,511,835	Aaa	AA+	0.10	182
FHLMC 0.875 2/28/2017-14	3134G4UY2	2/28/2014	4,000,000	3,993,680	4,000,000	4,000,000	Aaa	AA+	0.88	974
FHLB 0.575 7/29/2016-14	313381VK8	11/15/2013	3,500,000	3,499,650	3,494,947	3,493,438	Aaa	AA+	0.65	760
FNMA 1 9/20/2017	3135G0PP2	6/2/2014	2,050,000	2,044,568	2,050,000	2,050,000	Aaa	AA+	1.00	1178
FNMA 1.05 2/27/2018-15	3136G1DG1	2/27/2013	2,000,000	1,979,160	2,000,000	2,000,000	Aaa	AA+	1.05	1338
FHLB 0.8 11/22/2016-14	3130A1TP3	5/22/2014	2,000,000	1,999,080	1,999,426	1,999,400	Aaa	AA+	0.81	876
FHLMC 0.875 2/28/2017-14	3134G4UY2	2/28/2014	2,000,000	1,996,840	2,000,000	2,000,000	Aaa	AA+	0.88	974
FHLB 0.65 12/19/2016-14	3130A14P0	3/19/2014	2,000,000	2,001,820	2,000,000	2,000,000	Aaa	AA+	0.65	903
FNMA 2 2/25/2016	3136FPCF2	8/25/2010	1,700,000	1,741,703	1,699,744	1,699,150	Aaa	AA+	2.01	605
FHLMC 1 2/27/2017	3134G3NT3	6/27/2014	1,000,000	1,001,710	1,001,974	1,001,980	Aaa	AA+	0.92	973
FNMA 0.5 5/27/2015	3135G0KM4	5/8/2014	1,000,000	1,002,760	1,003,250	1,003,770	Aaa	AA+	0.14	331
FFCB 0.68 12/27/2016-14	3133ECBU7	5/1/2014	1,000,000	998,630	996,998	996,800	Aaa	AA+	0.80	911
FHLMC 0.625 12/29/2014	3137EADA4	5/8/2014	1,000,000	1,002,470	1,002,602	1,003,360	Aaa	AA+	0.10	182
FHLMC 0.625 12/29/2014	3137EADA4	5/9/2014	1,000,000	1,002,470	1,002,598	1,003,340	Aaa	AA+	0.10	182
FHLMC 5.05 1/26/2015	3128X33E1	5/8/2014	1,000,000	1,027,670	1,028,298	1,035,440	Aaa	AA+	0.10	210
FNMA 0.7 3/6/2017-14	3135G0XT5	5/14/2014	500,000	497,920	497,167	497,031	Aaa	AA+	0.91	980
			Sub Total / Average	179,202,369	179,441,386	179,448,567			0.39	471
Money Market Mutual Funds										
ML Institutional Fund MM	MM5003	6/30/2011	48,115,555	48,115,555	48,115,555	48,115,555	Aaa	AAA	0.03	1
UBS Financial MM	MM5891	4/18/2012	28,521,393	28,521,393	28,521,393	28,521,393	Aaa	AAA	0.05	1
Federated MM	MM0590	6/30/2011	15,102,421	15,102,421	15,102,421	15,102,421	Aaa	AAA	0.01	1
UBS Financial MM	MM5891	6/30/2011	15,011,260	15,011,260	15,011,260	15,011,260	Aaa	AAA	0.05	1
Federated MM	MM0590	6/30/2011	7,201,070	7,201,070	7,201,070	7,201,070	Aaa	AAA	0.01	1

Description	CUSIP	Settlement Date	Face Amount Shares	Market Value	Book Value	Cost Value	Moody's	S&P	YTM @ Cost	Days To Maturity
ML Institutional Fund MM	MM5003	10/19/2012	6,001,940	6,001,940	6,001,940	6,001,940	Aaa	AAA	0.03	1
Dreyfus MM	MM2542	6/30/2011	4,674,076	4,674,076	4,674,076	4,674,076	Aaa	AAA	0.00	1
Dreyfus MM	MM6999	6/30/2011	3,278,538	3,278,538	3,278,538	3,278,538	Aaa	AAA	0.00	1
Dreyfus MM	MM7014	6/30/2011	2,538,037	2,538,037	2,538,037	2,538,037	Aaa	AAA	0.00	1
Dreyfus MM	MM1724	6/30/2011	2,421,311	2,421,311	2,421,311	2,421,311	Aaa	AAA	0.00	1
ML Institutional Fund MM	MM5003	6/30/2011	400,129	400,129	400,129	400,129	Aaa	AAA	0.03	1
Dreyfus MM	MM6395	6/30/2011	294,537	294,537	294,537	294,537	Aaa	AAA	0.00	1
Sub Total / Average			133,560,266	133,560,266	133,560,266	133,560,266			0.03	1
LAIF Local Government Investment Fund										
LAIF LGIP	LGIP1001	6/30/2011	26,321,100	26,321,100	26,321,100	26,321,100	NR	NR	0.23	1
LAIF LGIP	LGIP1001	6/30/2011	15,206,800	15,206,800	15,206,800	15,206,800	NR	NR	0.23	1
LAIF LGIP	LGIP1005	6/30/2011	14,354,099	14,354,099	14,354,099	14,354,099	NR	NR	0.23	1
LAIF LGIP	LGIP1001	6/30/2011	3,507,600	3,507,600	3,507,600	3,507,600	NR	NR	0.23	1
LAIF LGIP	LGIP1001	6/30/2011	2,750,000	2,750,000	2,750,000	2,750,000	NR	NR	0.23	1
LAIF LGIP	LGIP1001	6/30/2011	2,000,000	2,000,000	2,000,000	2,000,000	NR	NR	0.23	1
LAIF LGIP	LGIP1001	6/30/2011	150,500	150,500	150,500	150,500	NR	NR	0.23	1
LAIF LGIP	LGIP1001	6/30/2011	64,000	64,000	64,000	64,000	NR	NR	0.23	1
Sub Total / Average			64,354,099	64,354,099	64,354,099	64,354,099			0.23	1
CAMP CA Asset Mgmt Program										
CAMP	CAMP6035	5/9/2014	40,001,830	40,001,830	40,001,830	40,001,830	NR	AAA	0.05	1
Sub Total / Average			40,001,830	40,001,830	40,001,830	40,001,830			0.05	1
Medium Term Notes										
IBM Credit Corp 1.95 7/22/2016	459200GX3	12/24/2012	5,000,000	5,131,100	5,112,546	5,195,200.00	Aa3	AA-	0.84	753
GOOGLE 2.125 5/19/2016	38259PAC6	12/21/2012	3,450,000	3,554,190	3,538,209	3,609,390.00	Aa2	AA	0.75	689
Johnson & Johnson 5.55 8/15/2017	478160AQ7	4/8/2014	2,000,000	2,278,440	2,266,231	2,285,580.00	Aaa	AAA	1.19	1142
Johnson & Johnson 5.55 8/15/2017	478160AQ7	2/13/2014	1,000,000	1,139,220	1,141,817	1,158,830.00	Aaa	AAA	0.93	1142
Berkshire Hathaway 1.6 5/15/2017	084664BS9	2/13/2014	1,000,000	1,015,730	1,016,834	1,019,030.00	Aa2	AA	1.00	1050
Johnson & Johnson 0.7 11/28/2016	478160BF0	4/9/2014	1,000,000	1,001,980	1,000,357	1,000,390.00	Aaa	AAA	0.69	882
General Electric Capital Corp MTN 4.75 9/15/2014	36962GK86	12/11/2012	400,000	403,668	403,403	428,416.00	A1	AA+	0.68	77
Sub Total / Average			13,850,000	14,524,328	14,479,396	14,696,836			0.88	840
Municipal Bonds										
Univ of California 0.392 5/15/2015	91412GPW9	3/14/2013	5,000,000	5,000,950	5,000,000	5,000,000	Aa2	AA	0.39	319
Univ of California 0.966 5/15/2017	91412GPY5	3/14/2013	2,000,000	1,991,040	2,000,000	2,000,000	Aa2	AA	0.97	1050
Univ of California 0.659 5/15/2016	91412GPX7	3/14/2013	2,000,000	1,997,180	2,000,000	2,000,000	Aa2	AA	0.66	685
MTSACC 3.75 8/1/2014	623040EZ1	6/21/2012	1,610,000	1,614,267	1,614,100	1,708,790	Aa2	AA	0.81	32
Newark Unified School District 0.99 8/1/2015	650264SY1	12/20/2012	1,000,000	1,003,850	1,000,000	1,000,000	NR	AA-	0.99	397
St Helena USD 0.442 8/1/2015	789636GY7	4/11/2013	805,000	804,976	805,000	805,000	NR	AAA	0.44	397
St Helena USD 0.362 8/1/2014	789636GX9	4/11/2013	600,000	600,060	600,000	600,000	NR	AAA	0.36	32
Newark Unified School District 0.76 8/1/2014	650264SX3	12/20/2012	550,000	550,138	550,000	550,000	NR	AA-	0.76	32
Univ of California 0.634 5/15/2016	91412GUIT0	4/10/2014	450,000	449,627	450,000	450,000	Aa2	AA	0.63	685
Sub Total / Average			14,015,000	14,012,086	14,019,100	14,113,790			0.63	440

Description	CUSIP	Settlement Date	Face Amount Shares	Market Value	Book Value	Cost Value	Moody's	S&P	YTM @ Cost	Days To Maturity
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	7641
		Sub Total / Average	12,000,000.00	12,000,000	12,000,000	12,000,000			4.86	7641
Certificates of Time Deposit										
Torrey Pines Bank 0.4 10/25/2014	CD1169D	10/25/2013	9,000,000	9,000,000	9,000,000	9,000,000	NR	NR	0.40	117
Torrey Pines Bank 0.4 6/14/2015	CD1198G	6/14/2014	1,000,000	1,000,000	1,000,000	1,000,000	NR	NR	0.40	349
Community Bank of the Bay 0.1 8/23/2014	CD1873D	8/23/2013	500,000	500,000	500,000	500,000	NR	NR	0.10	54
Summit Bank 0.25 11/29/2014	CD8856D	11/29/2013	150,000	150,000	150,000	150,000	NR	NR	0.25	152
Community Bank of the Bay 0.18 10/29/2014	CD0645D	10/29/2013	100,000	100,000	100,000	100,000	NR	NR	0.18	121
Summit Bank 0.25 12/8/2014	CD1507D	12/8/2013	100,000	100,000	100,000	100,000	NR	NR	0.25	161
Metropolitan Bank 0.25 4/11/2015	CD0144B	4/11/2014	95,000	95,000	95,000	95,000	NR	NR	0.25	285
		Sub Total / Average	10,945,000	10,945,000	10,945,000	10,945,000			0.38	138
Commercial Paper Discounted										
UC Regents 0 11/26/2014	91411ULS2	6/2/2014	10,000,000	10,000,000	9,991,722	9,990,167	Aa2	AA	0.20	149
		Sub Total / Average	10,000,000	10,000,000	9,991,722	9,990,167			0.20	149
	Total/Average		478,076,196	478,599,979	478,792,800	479,110,555			0.37	413



EAST BAY MUNICIPAL UTILITY DISTRICT
Quarterly Investment Transactions
Three Months Ending
June 30, 2014

ATTACHMENT B

Asset Class	Description	CUSIP	Action	Settlement Date	YTM @ Cost	Face Amount/Shs	Principal	Accrued Interest
Water System								
Medium Term Notes	Johnson & Johnson 5.55 8/15/2017	478160AQ7	Buy	4/8/2014	1.19	2,000,000	2,285,580	16,342
Medium Term Notes	Johnson & Johnson 0.7 11/28/2016	478160BF0	Buy	4/9/2014	0.69	1,000,000	1,000,390	2,411
Municipal Bonds	Univ of California 0.634 5/15/2016	91412GUT0	Buy	4/10/2014	0.63	450,000	450,000	
Federal Agency Issues Coupon	FHLMC 5.05 1/26/2015	3128X33E1	Buy	5/8/2014	0.10	1,000,000	1,035,440	14,308
Federal Agency Issues Coupon	FHLMC 0.625 12/29/2014	3137EADA4	Buy	5/8/2014	0.10	1,000,000	1,003,360	2,240
Federal Agency Issues Coupon	FNMA 0.5 5/27/2015	3135G0KM4	Buy	5/8/2014	0.14	1,000,000	1,003,770	2,236
Federal Agency Issues Coupon	FHLB 0.07 11/6/2014	3130A1VC9	Buy	5/9/2014	0.08	25,000,000	24,998,750	146
Federal Agency Issues Coupon	FNMA 0.7 3/6/2017-14	3135G0XT5	Buy	5/14/2014	0.91	500,000	497,031	661
Federal Agency Issues Coupon	FHLB 0.07 11/14/2014	3130A1YD4	Buy	5/14/2014	0.07	20,000,000	20,000,000	
Federal Agency Issues Coupon	FHLB 0.8 11/22/2016-14	3130A1TP3	Buy	5/22/2014	0.81	2,000,000	1,999,400	
Commercial Paper Discount	UC Regents 0 11/26/2014	91411ULS2	Buy	6/2/2014	0.20	10,000,000	9,990,167	
Federal Agency Issues Coupon	FHLB 0 11/5/2014	313385N36	Buy	6/27/2014	0.08	12,900,000	12,896,479	
Federal Agency Issues Coupon	FHLB 0 11/29/2014	313385R24	Buy	6/27/2014	0.08	15,000,000	14,994,867	
Federal Agency Issues Coupon	FHLMC 1 2/27/2017	3134G3NT3	Buy	6/27/2014	0.92	1,000,000	1,001,980	3,333
Federal Agency Issues Coupon	FHLMC 0.75 11/25/2014	3137EACY3	Buy	6/27/2014	0.09	6,200,000	6,216,802	4,133
Federal Agency Issues Coupon	FHLMC 0.625 12/29/2014	3137EADA4	Buy	6/30/2014	0.10	4,500,000	4,511,835	78
Wastewater System								
Federal Agency Issues Coupon	FFCB 0.68 12/27/2016-14	3133ECBU7	Buy	5/1/2014	0.80	1,000,000	996,800	2,342
Federal Agency Issues Coupon	FHLMC 0.625 12/29/2014	3137EADA4	Buy	5/9/2014	0.10	1,000,000	1,003,340	2,257
Federal Agency Issues Coupon	FHLB 1.5 5/15/2017-15	3130A1TY4	Buy	5/15/2014	1.15	5,000,000	5,051,750	
Federal Agency Issues Coupon	FNMA 1 9/20/2017	3135G0PP2	Buy	6/2/2014	1.00	2,050,000	2,050,000	4,100
Water System 2008A Debt Service Reserve Fund								
Federal Agency Issues Coupon	FNMA 2 2/25/2016	3136FFCF2	Sell	5/16/2014	N/A	1,100,000	1,132,296	4,950
Federal Agency Issues Coupon	FFCB 0.6 9/12/2016-14	3133EDBC5	Sell	5/16/2014	N/A	6,000,000	5,997,000	6,400


Eric L. Sandler, Director of Finance

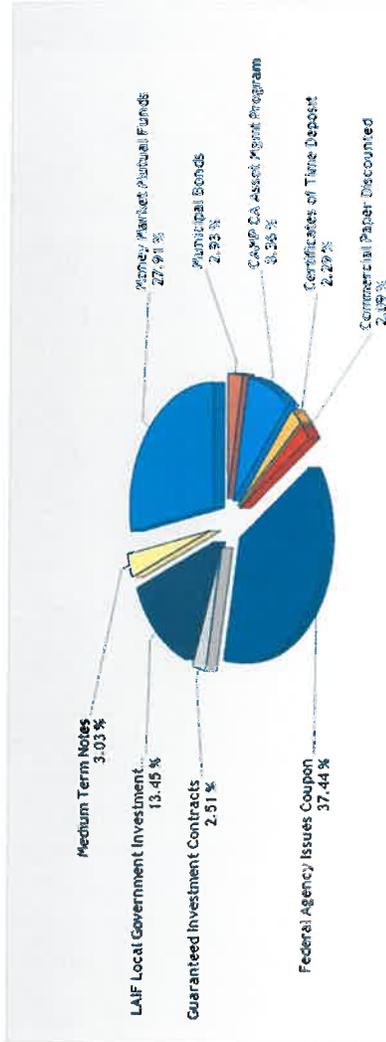
Date 7-8-14



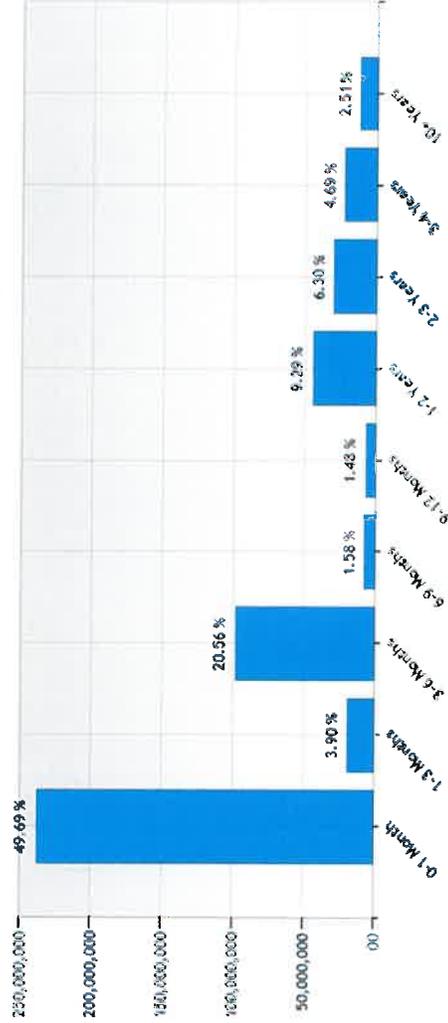
EAST BAY MUNICIPAL UTILITY DISTRICT
Investment Portfolio
Yield and Composition - by Asset Class
June 30, 2014

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

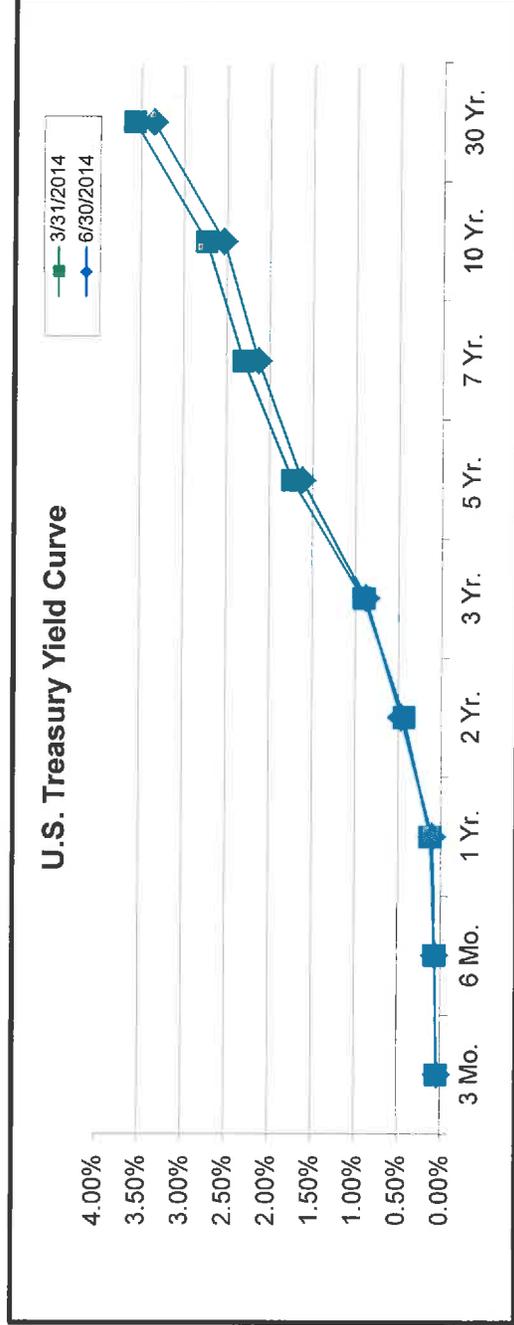
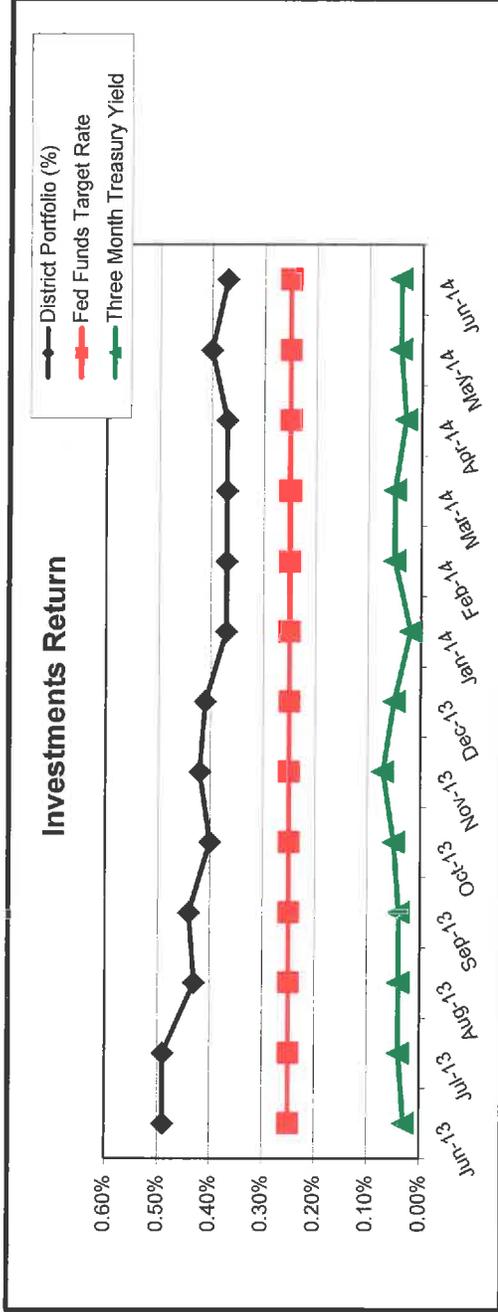
Rating Agency: Standard & Poors

US Agencies (Aaa/AA+)	Percentage
AAA	38%
AA	37%
AA	9%
A	0%
Not Rated	16%
Total	100%

US Agencies
 AAA Includes US Agencies and US Treasury Notes
 Includes Corporate & Municipal Securities,
 AAA Rated Money Market Funds, and CAMP
 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
 June 30, 2014





EAST BAY MUNICIPAL UTILITY DISTRICT
 Investment Portfolio
 Yield and Composition of Investment Portfolio
 June 30, 2014

ATTACHMENT C

Projected Cash Flow (in \$Millions)

Water System

Month End	Matured Investments	Projected			Matured reinvested
		Receipts	Disbursements	Cash & Investments	
Jun-14		49.5	33.2	357.0	
Jul-14		50.9	42.6	373.3	
Aug-14	2.6	48.1	38.2	381.6	2.6
Sep-14	15.4	45.0	33.2	391.5	15.4
Oct-14	9.1	43.0	83.8	403.3	9.1
Nov-14	89.3	48.1	39.2	362.5	89.3
Dec-14	5.6			371.4	5.6

Wastewater System

Month End	Matured Investments	Projected			Matured reinvested
		Receipts	Disbursements	Cash & Investments	
Jun-14		7.2	8.2	92.0	
Jul-14	0.6	8.6	9.5	91.0	0.6
Aug-14		9.4	8.6	90.1	
Sep-14		8.5	10.1	90.9	
Oct-14		10.7	16.8	89.3	
Nov-14		21.0	8.7	83.2	
Dec-14	1.0			95.5	1.0