



April 3, 2023

TO: Finance Advisory Committee

FROM: Ron Munds, General Manager

SUBJECT: **Agenda Item 3 – 04/03/2023 FAC Meeting**
Presentation by Wulff, Hansen & Co. regarding District Investment Opportunities

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STAFF RECOMMENDATION

Provide comments for Board consideration.

DISCUSSION

Background

With the current uncertainties in the banking industry, staff assessed each of the District's bank accounts to identify the potential vulnerabilities associated with the amounts of deposits above the FDIC insured amount of \$250,000 per account. The following table summarizes the distribution of the District's cash by bank as of February 28, 2023.

Banking Institution	Deposit Amount
US Bank	\$1,737,231.03
Mechanics Bank	\$3,316,752.73
Pacific Premier Bank	\$4,561,551.44
LAIF	\$692,200.48
TOTAL	\$10,307,735.68

Here is a quick review of purpose of each bank holding:

US Bank: deposits are for the Wastewater Bond and consist of three fiduciary funds; prepayments, bond redemption and bond reserves. The District is unable to move these funds from US Bank.

Mechanics Bank: primarily used as the general checking account for the various funds but portions are part of the reserve accounts for Funds 301 and 500.

Pacific Premier Bank: there are two accounts, one for Fund 301 reserves and the other Fund 500 reserves.

LAIF: there is one account with LAIF with the division of funds per Board direction between Funds 500, 800 and 900.

As can be seen from the table, all bank accounts exceed the FDIC insured amounts.

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Investment Alternatives

There are multiple avenues that could be pursued, a couple of those being further investment in LAIF or purchasing treasuries through Mechanics bank or other financial institution. At the April 3rd meeting, we are going to hear a presentation by Steven Gortler from Wulff, Hansen & Co., a financial advisor firm. A little background, Wulff, Hansen & Co. was involved in the refinance of the District's wastewater bond. Mr. Gortler will be presenting the company's Treasury Investment Program as a possible safe investment alternative for District funds. Because of the quick scheduling of the presentation, Mr. Gortler will be providing a letter that summarizes the service being presented at the meeting.

Staff will be asking the committee for input from the information provided plus any other thoughts on how to ensure the District's financial assets are secure.