

To: Honorable Public Utilities Board

Submitted by: *ISI*
Robert J. Orbeta
AGM - Administration

From: Ina Soo-Hoo
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Approved by: *ISI*
Nicolas Procos
General Manager

Subject: Treasurer's Report for the Month Ending December 31, 2017

RECOMMENDATION

For information, no action is recommended.

BACKGROUND

This report is submitted in compliance with Alameda Municipal Power's (AMP) policy and the State of California Government Code Sections 53607 and 53646(b).

DISCUSSION

Funds have been managed and invested in compliance with the Public Utilities Board's Resolution No. 5119. AMP's expenditure requirements for the next six-months are covered by anticipated revenues and the liquidity of current investments.

Investments

The stated value of AMP's investment portfolio totaled \$58,241,196 at maturity. The current market value of the portfolio totaled \$57,741,542. Investments are held to maturity or may be sold when prices yield a gain on the sale. The overall portfolio had a weighted average interest rate yield of 1.265 percent.

Interest Rates

During the period, rates on 90-day T-Bills increased 10 basis points to 1.36 percent on December 18, 2017 from 1.26 percent on November 17, 2017. Rates on the 30-day London Interbank Offered Rate (LIBOR) increased 13 basis points to 1.37 percent in December 2017 from 1.24 percent in November 2017.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

EXHIBITS

- A. Investment Portfolio Summary and Detail
- B. Supplemental Schedule - Sources of Investments & Investment Portfolio

Alameda Municipal Power
INVESTMENT PORTFOLIO SUMMARY
December 31, 2017

	<u>Stated Value</u>	<u>Current Market Value</u>	<u>Book Value</u>	<u>Percent of Total</u>	<u>Average Return</u>
Local Agency Investment Fund	\$45,500,434	\$45,500,434	\$45,500,434	78.80%	1.143%
Cash - Uninvested	2,766	2,766	2,766	0.00%	0.020%
Money Market Funds	2,339,561	2,339,561	2,339,561	4.05%	0.990%
Corporate Fixed Income	1,099,179	1,003,992	1,012,580	1.75%	2.186%
Certificates of Deposit(s)	<u>9,299,256</u>	<u>8,894,789</u>	<u>8,886,894</u>	<u>15.39%</u>	<u>1.860%</u>
 Total Investment Portfolio and Weighted Average Return	 <u>\$58,241,196</u>	 <u>\$57,741,542</u>	 <u>\$57,742,235</u>	 100.00%	 <u>1.265%</u>

FY 2018 Budgeted Interest Income	\$300,000
FY2018 Year-to-date Interest Income Estimated	\$245,647
Percent of Interest Received To Date	81.9%

	Actual	Budgeted
FY2017 Interest Income	\$470,818	\$120,000
FY 2016 Interest Income	\$316,332	\$101,000
FY 2015 Interest Income	\$173,594	\$105,000
FY 2014 Interest Income	\$85,857	\$105,000
FY 2013 Interest Income	\$98,920	\$120,000

Alameda Municipal Power
DETAIL OF INVESTMENT PORTFOLIO
December 31, 2017

<u>Investment Description</u>	<u>Custodian</u>	<u>Stated Value</u>	<u>Coupon Rate</u>	<u>Current Market Value</u>	<u>Date of Investment</u>	<u>Date of Maturity</u>	<u>Days Invested</u>	<u>Yield to Maturity</u>	<u>Book Value Purchase Price</u>
Local Agency Invstmnt. Fd.(LAIF)	LAIF	\$45,500,434	1.143%	\$45,500,434	01-Nov-17	30-Nov-17	30	1.143%	\$45,500,434
Cash-Morgan Stanley Bank NA #		\$2,766	0.020%	\$2,766	01-Nov-17	30-Nov-17	30	0.020%	\$2,766
Money Market Funds									
MSILF Government PTF INST		\$2,339,561	0.990%	\$2,339,561	01-Nov-17	30-Nov-17	30	0.990%	\$2,339,561
Corporate Bonds									
Citibank NA 2.125% Matures 10/20/2020		\$265,560	2.125%	\$248,183	16-Nov-17	20-Oct-20	1069	2.125%	\$250,001
IBM Corp 2.25% Matures 02/19/2021		\$161,040	2.250%	\$149,777	16-Nov-17	19-Feb-21	1191	2.035%	\$151,012
John Deere Capital Corp 2.75% Matures 03/15/2022		\$335,967	2.750%	\$303,573	16-Nov-17	15-Mar-22	1580	2.231%	\$306,379
Apple Inc. 2.70% Matures 05/13/2022		\$336,612	2.700%	\$302,460	16-Nov-17	13-May-22	1639	2.293%	\$305,188
Subtotal		<u>\$1,099,179</u>		<u>\$1,003,992</u>		average days	1370	2.186%	\$1,012,580
Certificates of Deposit									
Morgan Stanley CD - JP Morgan Chase NA Columbus, Ohio		\$248,185	1.300%	\$245,012	10-Apr-15	10-Apr-18	1096	1.300%	\$245,000
Morgan Stanley CD - Compass BK, Birmingham, AL		\$246,466	1.200%	\$244,836	13-May-15	14-May-18	1097	1.200%	\$245,000
Morgan Stanley CD - Cardinal Bank, Mclean, VA		\$246,510	1.250%	\$244,797	19-Jun-15	19-Jun-18	1096	1.250%	\$245,000
Morgan Stanley CD - Discover BK Greenwood, DE		\$251,265	1.700%	\$245,436	06-Aug-14	06-Aug-18	1461	1.700%	\$245,000
Morgan Stanley CD - Third Federal Cleveland, OH		\$248,063	1.250%	\$245,473	13-Feb-15	13-Aug-18	1277	1.250%	\$245,000
Morgan Stanley CD - Goldman Sachs(Formerly GE Capital Financial)		\$253,575	1.750%	\$245,123	15-Aug-14	15-Aug-18	1461	1.750%	\$245,000
Morgan Stanley CD - MS Salt Lake City, UT		\$254,347	1.900%	\$250,800	21-Sep-17	21-Aug-18	334	1.900%	\$250,000
Morgan Stanley CD - MS Private Bk CD Purchase, NY		\$254,347	1.900%	\$250,800	21-Sep-17	21-Aug-18	334	1.900%	\$250,000
Morgan Stanley CD - Medallion Bank, Salt Lake City, UT		\$251,754	1.750%	\$245,519	08-Sep-14	07-Sep-18	1460	1.750%	\$245,000
Morgan Stanley CD - Union Bank Market Fixed to FLT LKD to 3 months USD LBR		\$107,726	1.685%	\$97,772	30-Sep-13	01-Oct-18	1827	1.685%	\$99,347
Morgan Stanley CD - Comenity Bank, Salt Lake City, UT		\$252,346	1.900%	\$245,255	22-Oct-14	22-Oct-18	1461	1.900%	\$245,000
Morgan Stanley CD - ST BK of India CD New York, NY		\$259,713	2.000%	\$245,764	05-Dec-14	05-Dec-18	1461	2.000%	\$245,000

Alameda Municipal Power
DETAIL OF INVESTMENT PORTFOLIO
December 31, 2017

Investment Description	Custodian	Stated Value	Coupon Rate	Current Market Value	Date of Investment	Date of Maturity	Days Invested	Yield to Maturity	Book Value Purchase Price
Morgan Stanley CD - bmw Salt Lake City, UT		\$247,693	1.400%	\$244,512	14-Dec-16	14-Dec-18	730	1.400%	\$245,000
Morgan Stanley CD - Ally BK Midvale, UT		\$247,896	1.450%	\$244,630	15-Dec-16	17-Dec-18	732	1.450%	\$245,000
Morgan Stanley CD - Flushing BK NY CD, Flushing, NY		\$250,908	1.450%	\$245,059	15-Apr-15	15-Apr-19	1461	1.450%	\$245,000
Morgan Stanley CD -ST BK of India Chicago, IL		\$248,590	1.650%	\$244,782	28-May-15	28-May-19	1461	1.650%	\$245,000
Morgan Stanley CD - Barclays Bank Wilmington, DE		\$257,577	2.050%	\$245,997	30-Jul-14	30-Jul-19	1826	2.050%	\$245,000
Morgan Stanley CD - Salliemae BK, Salt Lake City, UT		\$257,577	2.050%	\$246,036	30-Jul-14	30-Jul-19	1826	2.050%	\$245,000
Morgan Stanley CD - American Exp Salt Lake City, UT		\$257,884	2.100%	\$246,105	21-Aug-14	21-Aug-19	1826	2.100%	\$245,000
Morgan Stanley CD - Synchrony BK (Formerly GE Capital Retail Bank) Draper UT, C		\$255,758	2.100%	\$246,014	22-Aug-14	22-Aug-19	1826	2.100%	\$245,000
Morgan Stanley CD - c1 Saint Petersburg, FL		\$252,964	1.500%	\$245,725	19-Mar-15	19-Sep-19	1645	1.500%	\$245,000
Morgan Stanley CD - Capital One Bank Glen Allen VA		\$258,162	2.150%	\$246,345	16-Oct-14	16-Oct-19	1826	2.150%	\$245,000
Morgan Stanley CD - Citi Salt Lake City, UT		\$263,872	2.200%	\$246,806	17-Dec-14	17-Dec-19	1826	2.200%	\$245,000
Morgan Stanley CD - Private Bank Chicago, IL		\$255,736	1.750%	\$246,132	27-Feb-15	27-Feb-20	1826	1.750%	\$245,000
Morgan Stanley CD - People United Bridgeport, CT		\$253,552	1.750%	\$245,845	04-Mar-15	04-Mar-20	1827	1.750%	\$245,000
Morgan Stanley CD - Enterprise Bank Allison Park, PA		\$255,749	1.700%	\$243,927	20-Mar-15	20-Mar-20	1827	1.700%	\$245,000
Morgan Stanley CD - Rollstone Bank Fitchburg, MA		\$255,725	1.750%	\$245,559	15-Apr-15	15-Apr-20	1827	1.750%	\$245,000
Morgan Stanley CD - First Business, Madison WI		\$260,024	1.750%	\$243,797	11-Jun-15	11-Jun-20	1827	1.750%	\$245,000
Morgan Stanley CD - Comenity Bank Jumbo (formerly World Finl Network Bank) C		\$211,274	2.150%	\$200,100	17-Jun-15	17-Jun-20	1827	2.150%	\$200,000
Morgan Stanley CD - 1st Merit Bk, Akron, OH		\$259,713	2.000%	\$246,399	23-Jul-15	23-Jul-20	1827	2.000%	\$245,000
Morgan Stanley CD - Everbank, Jacksonville, FL		\$110,341	2.000%	\$99,961	15-Sep-15	15-Sep-20	1827	2.000%	\$100,300
Morgan Stanley CD - Capital One NA Mclean, VA		\$186,114	2.300%	\$177,149	23-Sep-15	23-Sep-20	1827	2.300%	\$176,000
Morgan Stanley CD -Key Bank Cleveland, OH		\$260,696	1.850%	\$245,842	27-Sep-17	25-Sep-20	1094	1.850%	\$247,000
Morgan Stanley CD - Merrick Bank, South Jordan, UT		\$240,486	2.000%	\$221,990	11-Oct-17	12-Oct-21	1462	2.000%	\$223,000
Morgan Stanley CD - Amex Centurion Salt Lake City, UT		\$80,927	2.400%	\$72,013	06-Sep-17	06-Sep-22	1826	2.400%	\$72,252
Morgan Stanley CD - Amex Centurion Salt Lake City, UT		\$198,252	2.400%	\$177,030	12-Sep-17	12-Sep-22	1826	2.400%	\$177,000
Morgan Stanley CD - Capital One NA Mclean, VA		\$82,515	2.300%	\$73,822	27-Sep-17	27-Sep-22	1826	2.300%	\$74,000
Morgan Stanley CD - TIAA FSB Jacksonville, FL		\$157,062	1.900%	\$148,540	09-Nov-17	14-Sep-20	1040	1.900%	\$148,996
Morgan Stanley CD - Goldman Sachs BK New York, NY		\$280,278	2.500%	\$250,175	21-Nov-17	29-Nov-22	1834	2.500%	\$249,000
Morgan Stanley CD - Allegiance BK Houston, TX		\$277,636	2.200%	\$247,910	26-Oct-17	03-Nov-22	1834	2.200%	\$250,000
Total		\$9,299,256		\$8,894,789		average days	1513	1.860%	\$8,886,894
Grand Total		\$58,241,196		\$57,741,542		Weighted Average Interest Rate		1.265%	\$57,742,235

(1) LAIF & MS are based on stated value.

Stated value = the total value at maturity date

(2) Portfolio details are based on available third-party statements as of 11-30-17

**Alameda Municipal Power
Supplemental Schedule
Sources of Investments & Investment Portfolio
December 31, 2017**

SOURCES FOR INVESTMENTS

	<u>Account*</u>	
<u>Operating Funds</u>		\$7,085,747
<u>Liabilities</u>		
Balancing Account	10 3401	\$18,648,533
Clean Future Fund	10 3147	\$100,439
Donations to AUSD	10 3151	\$4,201
<u>Reserves For Special Purposes</u>		
Insurance Reserve Special Fund	10 2107	\$1,200,000
Underground Fund Carryforward 7/1/2017	10 2111	8,885,465
FY 2017 Undergrounding Funding	10 2111	483,333
Underground Special Fund Used in FY 2018	10 2111	(\$16,551)
Net - Underground Fund Available (Deficiency)		\$9,352,247
Solar PV Rebate Reserve	10 2112	\$458,011
REC Net Revenue Reserve	10 2113	\$18,485,840
Cap & Trade Net Revenue Reserve	10 2114	\$2,235,717
Low Carbon Fuel St Revenue Reserve	10 2115	\$171,500
Total Sources For Investments		\$57,742,235

*General Ledger Balance 11-30-2017

