

**RESOLUTION NO. 2020-04
RESOLUTION NO. PFA-03
ORDINANCE NO. 2020-01**

AGENDA

MISSION STATEMENT

"Our team is dedicated to protecting, enhancing, and developing our rich water resources to the highest beneficial use for Calaveras County, while maintaining cost-conscious, reliable service, and our quality of life, through responsible management."

Regular Board Meeting
Wednesday, January 22, 2020
9:00 a.m.

Calaveras County Water District
120 Toma Court, (PO Box 846)
San Andreas, California 95249

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Administration Office at 209-754-3028. Notification in advance of the meeting will enable CCWD to make reasonable arrangements to ensure accessibility to this meeting. Any documents that are made available to the Board before or at the meeting, not privileged or otherwise protected from disclosure, and related to agenda items, will be made available at CCWD for review by the public.

ORDER OF BUSINESS

CALL TO ORDER / PLEDGE OF ALLEGIANCE

1. **ROLL CALL**

2. **PUBLIC COMMENT**

At this time, members of the public may address the Board on any non-agendized item. The public is encouraged to work through staff to place items on the agenda for Board consideration. No action can be taken on matters not listed on the agenda. Comments are limited to three minutes per person.

3. **CONSENT AGENDA**

The following items are expected to be routine / non-controversial. Items will be acted upon by the Board at one time without discussion. Any Board member may request that any item be removed for later discussion.

3a Review of the FY 2019-20 Second Quarter Investment Report
(Rebecca Callen, Director of Administrative Services)

BOARD OF DIRECTORS

Bertha Underhill, President Jeff Davidson, Vice President
Scott Ratterman, Director Cindy Secada, Director Russ Thomas, Director

- 3b Authorized Signatures on Banking and Investment Accounts
(Rebecca Callen, Director of Administrative Services)
- Umpqua Bank
 - Local Agency Investment Fund
 - Wells Fargo
- RES 2020-_____
RES 2020-_____
RES 2020-_____

4. NEW BUSINESS

- 4a* Resolution of Appreciation for Peter Martin
(Michael Minkler, General Manager) RES 2020-_____
- 4b* Discuss the Scheduling of a Strategic Planning Workshop
(Bertha Underhill, Board President)

5. REPORTS

- 5a* General Manager Report

6.* BOARD REPORTS / INFORMATION / FUTURE AGENDA ITEMS

7. NEXT BOARD MEETINGS

- Wednesday, February 12, 2020, 9:00 a.m., Regular Board Meeting
- Wednesday, February 26, 2020, 9:00 a.m., Regular Board Meeting

8. CLOSED SESSION

- 8a Conference with Legal Counsel-Anticipated Litigation
Significant Exposure to Potential Litigation-Government Code Section 54956.9(d)(2)-
1 case.
- 8b Conference with Legal Counsel – Existing Litigation
Government Code § 54956.9(a) La Contenta Investors, LTD vs. CCWD (Calaveras
County Superior Court #11CV37713)
- 8c Government Code § 54957.6 Agency Negotiators: General Manager, Michael Minkler, HR
Manager, Stacey Lollar Regarding Negotiations with Employee Organization SEIU Local
1021 and Management and Confidential Unit

9. REPORTABLE ACTION FROM CLOSED SESSION

10. ADJOURNMENT



CALAVERAS COUNTY WATER DISTRICT

Board of Directors

District 1 Scott Ratterman
District 2 Cindy Secada
District 3 Bertha Underhill
District 4 Russ Thomas
District 5 Jeff Davidson

Financial Services

Umpqua Bank
US Bank
Wells Fargo Bank

CCWD Committees

*Engineering Committee
*Finance Committee
*Legal Affairs Committee

Joint Power Authorities

ACWA / JPIA
CCWD Public Financing Authority
Calaveras-Amador Mokelumne River Authority (CAMRA)
Calaveras Public Power Agency (CPPA)
Eastern San Joaquin Groundwater Authority
Tuolumne-Stanislaus Integrated Regional Water
Management Joint Powers Authority (T-Stan JPA)
Upper Mokelumne River Watershed Authority (UMRWA)

Other Regional Organizations of Note

Calaveras LAFCO
Calaveras County Parks and Recreation
Committee
Highway 4 Corridor Working Group
Mountain Counties Water Resources
Association (MCWRA)
Mokelumne River Association (MRA)
Tuolumne-Stanislaus Integrated Regional Water
Mgt. JPA Watershed Advisory Committee (WAC)
Eastern San Joaquin Groundwater Authority-Technical
Advisory Committee

Legal Counsel

Matthew Weber, Esq.
Downey Brand, LLP

Auditor

Richardson & Company, LLP

Membership**

Davidson / Thomas (alt. Secada)
Underhill / Secada (alt. Thomas)
Davidson / Ratterman (alt. Thomas)

Ratterman (alt. Michael Minkler)
All Board Members
Ratterman / Underhill (alt. Secada)
Michael Minkler (Alt. Rebecca Callen)
Thomas
Secada (alt. Thomas)
Davidson (alt. Ratterman)

Ratterman / Thomas
Thomas (alt. Ratterman)

Thomas / Underhill
All Board Members

All Board Members
Peter Martin (alt. Metzger)

Peter Martin

* Standing committees, meetings of which require agendas & public notice 72 hours in advance of meeting.

** The 1st name listed is the committee chairperson.

Agenda Item

DATE: January 22, 2020

TO: Board of Directors

FROM: Rebecca Callen, Director of Administrative Services

SUBJECT: Review of the FY 2019-20 Second Quarter Investment Report

RECOMMENDED ACTION:

Motion: _____/_____ by Minute Entry, to review and accept the District's quarterly Cash and Investments report for the period ending December 31, 2019.

SUMMARY:

Stated below are cash and investment balances for September 30, 2019 and December 31, 2019 and the change in respective balances:

	<u>09/30/19</u>	<u>12/31/19</u>	<u>Change</u>
Cash, Umpqua Bank (general account)	\$ 1,688,672	\$ 2,596,660	\$ 907,988
Cash on Hand, Petty Cash & Cash Drawer	600	600	-
Local Agency Investment Fund (LAIF)	27,078,908	28,256,139	1,177,231
Money Market Accounts	2,587,791	1,817,713	(770,078)
Bond Investments*	19,808	17,813	(1,995)
Certificates of Deposits*	1,995,740	1,998,560	2,820
Trustee Accounts	<u>534,257</u>	<u>534,961</u>	<u>704</u>
Total Cash and Investments	<u>\$ 33,905,776</u>	<u>\$ 35,222,446</u>	<u>\$ 1,316,670</u>

**Based on Market Value*

District Funds	\$ 34,245,822
Trustee Accounts	534,961
Assessment District Funds	<u>441,663</u>
Total Funds	<u>\$ 35,222,446</u>

This report is for the second quarter of FY 2019-20 and covers the months of October, November, and December 2019. Investment activities included:

Interest received on the Wells Fargo Money Market investment account	87.08
Interest received on the Umpqua Bank Money Market investment account	1,915.89
Quarterly interest received on the LAIF investment account	177,231.16
Lehman Bros Holding 19 th liquidation distribution	2,918.61
Transfer from Wells Fargo Money Market investment account to the District's Operating account	25,000.00
Transfer from Umpqua Bank Money Market investment account to the District's Operating account	750,000.00
Transfer from the District's Operating account to LAIF	1,000,000.00

The District posted investment earnings of \$179,234 during the second quarter. Note that the above LAIF interest revenue relates to the first quarter of FY 2019-20 investment activity. The Wells Fargo Bank Certificate of Deposit is out of compliance with the Investment Policy as it exceeds the length of maturity allowed. The District is able to meet its cash needs over the next six months, and Staff continues to pursue alternate investment opportunities.

FINANCIAL CONSIDERATIONS:

At the end of September, the LAIF interest rate was 2.25, at the end of December the rate was 2.02, a drop of 23 basis points.

Staff expects to maintain the current structure of the District's portfolio to provide adequate liquidity to fund current capital improvement projects. However, we will be reviewing cashflow trends and projections to identify longer term investment options where allowable.

CALAVERAS COUNTY WATER DISTRICT

Quarterly Report on Investments

December 31, 2019

<u>Investment Cost</u>	<u>Market Value</u>	<u>Coupon Rate</u>	<u>Date Invested</u>	<u>Date of Maturity</u>	<u>Days to Maturity</u>	<u>% of Portfolio</u>	<u>Invested with</u>
\$ 28,256,139	\$ 28,256,139	2.020%	Open	Open	185	84.73%	Local Agency Investment Fund
135	135	0.010%	Open	Open	5	0.00%	Wells Fargo Money Market
1,817,578	1,817,578	0.350%	June 14, 2007	Open	1	5.45%	Umpqua Bank Money Market
2,000,000	1,998,560	1.300%	July 22, 2016	July 22, 2021	569	6.00%	Wells Fargo Bank Certificate of Deposit
740,413	17,813	3.950%	May 5, 2008	November 10, 2009	DEF	2.22%	Lehman Bros Hldgs Med Term Note CUSIP 52517PXT3
534,961	534,961	(Trustee funds from page 2)				1.60%	
<u>\$ 33,349,226</u>	<u>\$ 32,625,186</u>					100.00%	

I certify that all of the investments reported herein are substantially in accordance with the District's Financial Management Policy 5, "Investment Policy Guidelines", the law and other contractual agreements. I further certify the investments reported herein provide for the ability of the District to meet cash flow needs as specified in Financial Management Policy 5.

Rebecca Callen, Director of Administrative Services

CALAVERAS COUNTY WATER DISTRICT
Quarterly Report on Investments

December 31, 2019

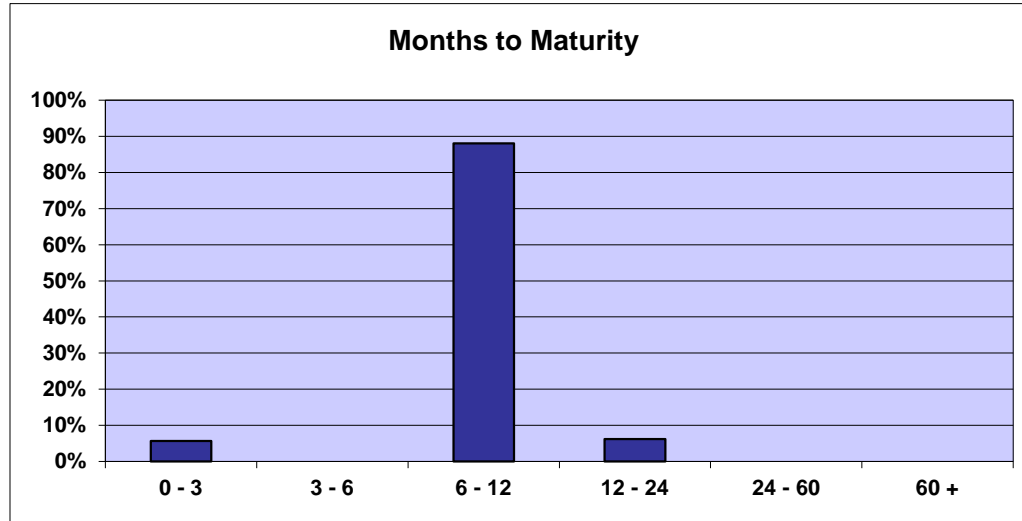
Trusteed Funds:

Cost	Market Value	% Yield	Date Invested	Date of Maturity	Days to Maturity	% Portfolio	Trustee	INVESTED FOR
\$ 332,153	\$ 332,153	0.00%	Aug 16, 06	Open	1	62.09%	USBank	2006 Saddle Creek Ltd, Reserve
134,618	134,618	0.01%	Oct 15, 13	Open	1	25.16%	USBank	Fly In Acres Reserve Fund
68,190	68,190	0.01%	Sep 09, 10	Open	1	<u>12.75%</u>	USBank	DaLee/Cassidy Reserve Fund
<u>\$ 534,961</u>	<u>\$ 534,961</u>					<u>100.00%</u>		

Maturity Analysis	Maturity Time Frames
\$ 30,073,852	LAIF/Money Market
17,813	Maturity in Default
1,998,560	Scheduled Maturities in 2021
\$ 32,090,225	Total
534,961	Trustees Investments
\$ 32,625,186	Total Investments
\$ 2,596,660	Checking Account Balance
600	Petty Cash + Change Fund
\$ 35,222,446	Total Cash & Investments

Weighted Average Maturity	
(The average life in days following the last day of the month)	
Fund Class:	No. of Days
General	<u>190</u>
In Years =	<u>0.52</u>
Trust	<u>1</u>

**Calaveras County Water District
Monthly Maturity Distribution (Market Value)
As of December 31, 2019**



Months to Maturity	Maturity Distribution	Market Value
0 - 3	6%	\$ 1,835,526
3 - 6	0%	-
6 - 12	88%	28,256,139
12 - 24	6%	1,998,560
24 - 60	0%	-
60 +	0%	-
	Total	<u><u>\$ 32,090,225</u></u>

Months to maturity chart includes Lehman Bros defaulted bond of \$17,813 as of 12/31/19.

**Calaveras County Water District
Portfolio Summary
As of December 31, 2019**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Days to Maturity	Yield to Maturity
Local Agency Investment Fund (LAIF)	28,256,139	28,256,139	28,256,139	86.1%	185	2.02%
Money Market Funds (Wells Fargo)	135	135	135	0.0%	5	0.01%
Money Market Funds (Umpqua)	1,817,578	1,817,578	1,817,578	5.5%	1	0.35%
Non-Negotiable Certificates of Deposit (Wells Fargo Bank)	2,000,000	1,998,560	2,000,000	6.1%	569	1.30%
Medium Term Notes	1,425,000	17,813	740,413	2.3%	DEF	DEF
Total Investments	33,498,852	32,090,225	32,814,265	100%		
Ending Accrued Interest		176,398	176,398			
Total Investments & Accrued Interest:	33,498,852	32,266,623	32,990,663			

**Calaveras County Water District
Investment Compliance Checklist
As of December 31, 2019**

California Government Code Section	Investment Category	Maximum Maturity	Authorized Investment Limits (Percent of Portfolio)	Percentage Held in Portfolio	Credit Rating Limits	Compliance
16429.1	Local Agency Investment Fund (LAIF)	None	*	86%	n/a	Yes
53601(l)	Money Market Funds (Wells Fargo)	None	20%	0%	(1)	Yes
53601(l)	Money Market Funds (Umpqua)	None	20%	6%	(1)	Yes
53684	Non-Negotiable Certificate of Deposit (Wells Fargo Bank)	2 years	40%	6%	n/a	No
53601(k)	Medium Term Notes	5 years	30%	2%	A or >	Yes
				100%		

(1) Highest ranking by 2 of 3 of the nationally recognized rating agencies

*LAIF currently allows a maximum of \$65 million per account.

Agenda Item

DATE: January 22, 2020
TO: Michael Minkler, General Manager
FROM: Rebecca Callen, Director of Administrative Services
SUBJECT: Authorized Signers on Banking and Investment Accounts

RECOMMENDED ACTION:

Motion: _____/_____ adopting the following Resolutions for authorizing signers on Banking and Investment accounts:

- Umpqua Bank Resolution No. 2020-_____
- Local Agency Investment Fund Resolution No. 2020-_____
- Wells Fargo Resolution No. 2020-_____

SUMMARY:

With the recent announcement of Peter Martin, Manager of Water Resources resignation, it has become necessary for the District to update its authorized signers list for Umpqua Bank, Local Agency Investment Fund (LAIF), and Wells Fargo investment transactions. Resolutions to update the bank forms are attached for your review.

Established CCWD financial transaction protocol requires the General Manager and Director of Administrative Services authorization prior to initiating an investment transaction. All financial transactions will be handled per Board policy.

FINANCIAL CONSIDERATIONS:

None

*Attachments: Resolution No.2020-__-Authorizing Signatures for Umpqua Bank
Resolution No 2020-__-Authorizing Signatures for Local Agency Investment Fund
Resolution No.2020-__-Authorizing Signatures for Wells Fargo Investments*

RESOLUTION 2020 - __

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CALAVERAS COUNTY WATER DISTRICT**

**AUTHORIZING SIGNATURES
FOR UMPQUA BANK CHECKING AND MONEY MARKET ACCOUNTS**

WHEREAS, the Board of Directors of CALAVERAS COUNTY WATER DISTRICT adopted Resolution 2019-73 on November 13, 2019 authorizing the signatories for investment and check signing; and

WHEREAS, the District needs to update the authorization list due to the recent resignation of Peter Martin.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT does hereby rescind in its entirety Resolution 2019-73, and any and all prior signature authorizations for investment and check signing thereto.

BE IT FURTHER RESOLVED, that two of the following District employees shall be authorized to sign checks and other instruments:

Executive Group	Finance
Michael Minkler	Rebecca Callen
Stacey Lollar	Patricia Christensen

BE IT FURTHER RESOLVED, that this District authorizes and directs you, Umpqua Bank, and your correspondent banks, to honor and pay all checks and other instruments, including those payable to persons whose names appear on them as signers, which are drawn on its Checking Account number 60203627, described as Calaveras County Water District Secretarial Fund, when it bears or purports to bear the facsimile signatures of two (2) of the employees listed above. One signature must be from the Executive Group.

BE IT FURTHER RESOLVED, that you and your correspondent banks may honor and charge this District for all checks and other instruments for the payment of money as long as the facsimile signatures resemble the specimens which an officer of the District files with you now or in the future. This applies regardless of whom the checks or other instruments are payable to or of the manner in which the actual or purported facsimile signatures were made on the documents.

BE IT FURTHER RESOLVED, that this District authorizes and directs you, Umpqua Bank, and your correspondent banks, to honor all funds transfers between the Calaveras County Water District Secretarial Fund account (account number 60203627); and the Calaveras County Water District Business Money Market savings account

(account number 990755837). Funds transfers and transactions require two parties; one to initiate the transfer and another to verify it.

PASSED AND ADOPTED this 22nd day of January, 2020 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

CALAVERAS COUNTY WATER DISTRICT

Bertha Underhill, President
Board of Directors

ATTEST:

Rebecca Hitchcock
Clerk to the Board

RESOLUTION 2020 - __

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CALAVERAS COUNTY WATER DISTRICT**

**AUTHORIZING SIGNATURES
IN THE LOCAL AGENCY INVESTMENT FUND**

WHEREAS, Pursuant to Chapter 730 of the Statutes of 1976, Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT adopted Financial Management Policy 5.01 authorizing the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein is in the best interests of the Calaveras County Water District.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of CALAVERAS COUNTY WATER DISTRICT does hereby rescind in its entirety Resolution 2019-74, and any and all prior signature authorizations for investment of monies in the Local Agency Investment Fund thereto.

BE IT FURTHER RESOLVED, that the following Calaveras County Water District Officers shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund:

Executive Group	Finance
Michael Minkler General Manager	Rebecca Callen Director of Administrative Services
Stacey Lollar Human Resources Manager	Patricia Christensen Accountant III

PASSED AND ADOPTED this 22nd day of January, 2020 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

CALAVERAS COUNTY WATER DISTRICT

Bertha Underhill, President
Board of Directors

ATTEST:

Rebecca Hitchcock
Clerk to the Board

RESOLUTION 2020 - __

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CALAVERAS COUNTY WATER DISTRICT**

**AUTHORIZING SIGNATURES
IN THE WELLS FARGO TRUST ACCOUNT
FOR INVESTMENT CUSTODIAN SERVICES**

WHEREAS, California Government Code Section 53600, *et seq.* imposes requirements for the investment and safekeeping of local government monies, including the use of an independent third-party custodian, and

WHEREAS, Wells Fargo Bank performs these services in compliance with said Government Code Sections, and

WHEREAS, the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT adopted Financial Management Policy 5.01 authorizing the safekeeping of securities in Wells Fargo in accordance with the provisions of Section 53608 of the Government Code for the purpose of investments as stated therein, is in the best interests of the Calaveras County Water District,

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of CALAVERAS COUNTY WATER DISTRICT does hereby rescind in its entirety Resolution 2019-75, and any and all prior signature authorizations for investment transactions thereto.

BE IT FURTHER RESOLVED, that the following Calaveras County Water District Officers shall be authorized to provide direction on the purchase or sale of assets held in the Custody Account:

Executive Group	Finance
Michael Minkler General Manager	Rebecca Callen Director of Administrative Services
Stacey Lollar Human Resources Manager	Patricia Christensen Accountant III

PASSED AND ADOPTED this 22nd day of January, 2020 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

CALAVERAS COUNTY WATER DISTRICT

Bertha Underhill, President
Board of Directors

ATTEST:

Rebecca Hitchcock
Clerk to the Board