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ORANGE COUNTY SANITATION DISTRICT

Agenda Report Details (With Text)

File #:	2020-975	**Version:** 1	**Name:**		
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File created:	3/9/2020		**In control:**	ADMINISTRATION COMMITTEE	
On agenda:	9/9/2020		**Final action:**	9/9/2020	
Title:	TREASURER’S REPORT FOR THE FOURTH QUARTER ENDED JUNE 30, 2020				
Sponsors:	Lorenzo Tyner				
Indexes:					
Code sections:					
Attachments:	1. Agenda Report, 2. Quarterly Treasurer's Report for the Period Ended June 30, 2020				

Date	Ver.	Action By	Action	Result
9/9/2020	1	ADMINISTRATION COMMITTEE		

FROM: James D. Herberg, General Manager
Originator: Lorenzo Tyner, Assistant General Manager

SUBJECT:

TREASURER’S REPORT FOR THE FOURTH QUARTER ENDED JUNE 30, 2020

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Receive and file the Orange County Sanitation District Fourth Quarter Treasurer’s Report for the period ended June 30, 2020.

BACKGROUND

The Quarterly Treasurer’s Report contains financial portfolio performance with respect to the Orange County Sanitation District’s (Sanitation District) funds. Both Long-Term and Liquid Operating Monies Portfolios are summarized. A performance summary table can be found on page 2. The report also contains information on the U.S. and global economic outlook from the Sanitation District’s investment manager, Chandler Asset Management.

RELEVANT STANDARDS

- Quarterly financial reporting

ADDITIONAL INFORMATION

The Quarterly Treasurer’s Report for the Fourth Quarter Ended June 30, 2020 is being submitted in accordance with the Sanitation District’s investment policy that requires the report be submitted to the governing body following the end of each quarter and includes the following information:

- Performance results in comparison with the ICE BAML 3-month treasury bill index for the liquid operating portfolio; and the ICE BAML Corp./Govt. 1-5 Year Bond index for the long-term portfolio as identified in the investment policy; and the time-weighted total rate of return for the portfolio for the prior three months, six months, nine months, twelve months, and since inception compared to the Benchmark returns for the same periods:

Portfolio Performance Summary
As of June 30, 2020

	Liquid Operating Monies (%)		Long-Term Operating Monies (%)	
	Total Rate of Return	Benchmark	Total Rate of Return	Benchmark
3 Months	0.07	0.02	1.32	1.03
6 Months	0.79	0,60	3.86	4.03
9 Months	1.30	1.06	4.37	4.48
12 Months	1.90	1.63	5.29	5.34
Annualized Since Inception 30 Nov 2014	1.20	1.07	2.37	2.35

- A listing of individual securities held at the end of each reporting period (see the detailed listings of each security contained within the report).

- Cost and market values of the portfolios:

	Liquid Operating	Long-Term
Cost	\$178.3 M	\$595.2 M
Market Value	\$178.6 M	\$623.3 M

- Modified duration of the portfolio compared to the Benchmark:

	Liquid Operating	Long-Term
District Policy	< 0.50	< 5.00
Benchmark	0.16	2.58
Portfolio	0.35	2.55

- Dollar change in value of the portfolio for a one percent (1%) change in interest rates:

  Liquid Operating - \$628,595
  Long- Term - \$15,869,725

- None of the portfolios are currently invested in reverse repurchase agreements.

- The percent of the Liquid Operating Monies portfolio maturing within 90 days: 44.8%

- Average portfolio credit quality:

Liquid Operating - AAA/Aaa
Long- Term - AA/Aa1

- Percent of portfolio with credit ratings below “A” by any rating agency and a description of such securities:

  Liquid Operating - no exceptions
  Long-Term - Percent of portfolio - 0.5%

	Cost	Maturity Date	Moody	S&P	Fitch
SLMA 2008-9 A	$11,586.12	4/25/2023	Baa3	B	B
AMRESCO Residential Securities 1999-1 A	$89,377.81	6/25/2029	NR	A+	BBB
Morgan Stanley Note	$3,200,848.00	7/28/2021	A3	BBB+	A

- All investments are in compliance with this policy and the California Government Code, except for the following Lehman Brother holdings that the Sanitation District is pursuing collection through the bankruptcy court:

  Lehman Brothers Note-Defaulted $ 600,000 par value purchased 9/19/2008
  Lehman Brothers Note-Defaulted $2,000,000 par value purchased 9/18/2008

- Sufficient funds are available for the Sanitation District to meet its operating expenditure requirements for the next six months.

CEQA

N/A

FINANCIAL CONSIDERATIONS

N/A

ATTACHMENT

The following attachment(s) may be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

- Fourth Quarter Treasurer’s Report for the Period Ended June 30, 2020