

**WEST BASIN MUNICIPAL WATER DISTRICT****OCTOBER 16, 2003 - Finance**

Little, Kwan

**OCTOBER 27, 2003 - Board Meeting**

Prepared by: Margaret Moggia

Submitted by: Margaret Moggia

Approved by: Darryl G. Miller

## ACTION CALENDAR

BROADWAY FEDERALSUMMARY:

In 1999, the Board authorized a Small Bank Investment Program. As of that date, the District has invested in a "Certificate of Deposit" (CD) of \$850,000 with Broadway Federal. The CD is deposited in a one-year investment and brought to the Board each year for approval to reinvest. Over the past 12-month period, the Local Agency Investment Fund (LAIF) has averaged 1.92% with the current quarter-to-date LAIF rate at 1.64%. The District is currently earning 2.50% with the CD at Broadway Federal.

In anticipation for the next renewal period of November 18, 2003, staff has contacted Broadway Federal to determine what rate the District could receive. Broadway Federal has indicated that they will be able to offer 2.50% for a one-year CD. With the Board's approval, the CD will renew upon its maturity on November 18, 2003.

FISCAL IMPACTS:

The net impact of investing in Broadway Federal for the next 12-month period compared to investing in LAIF is based on the difference in rates. At present, the District is earning approximately 50 basis points more with this investment in Broadway Federal.

ENVIRONMENTAL COMPLIANCE:

None.

COMMITTEE STATUS:

This item was reviewed by the Finance Committee on October 16, 2003 and recommended for approval at the October 27, 2003 Board meeting.

RECOMMENDED MOTION:

That the Board approves the renewal of a one-year Certificate of Deposit with Broadway Federal collateralized and guaranteed at a rate of 2.50% with interest to be paid monthly.

LIST OF EXHIBITS:

None.