

**WEST BASIN MUNICIPAL WATER DISTRICT****DECEMBER 5, 2005 - Finance**

Fernandez, Dear

**DECEMBER 19, 2005 - Board Meeting**

Prepared by: Margaret Moggia

Submitted by: Margaret Moggia

Approved by: Art Aguilar/Rich Nagel

## ACTION CALENDAR

SMALL BANK INVESTMENT PROGRAMSUMMARY:

In 1999, the Board authorized a small bank investment program. Since that time, the District has invested \$850,000 with Broadway Federal. In prior years, the investment was through a one-year negotiable "Certificate of Deposit" (COD). For the past year and at present, the monies are held in a Diamond Savings account earning 2.57%.

With the rising interest rate environment, staff contacted Broadway Federal to determine what higher rate the District could receive. Broadway Federal is able to offer a four-month time deposit (COD) at 3.05%. When the COD matures, the monies will transfer back to the savings account unless otherwise instructed by the Board. The LAIF quarter-to-date rate is 3.52% and daily rate of 3.69% (as of November 22, 2005). Staff did confirm that Broadway Federal meets the criteria set forth in the District's investment policy. The stated rate for the COD is 48 basis points higher than the District's current investment at Broadway Federal.

FISCAL IMPACTS:

At present and with the proposed rate offered by Broadway Federal, the District would be earning slightly higher rates at LAIF.

ENVIRONMENTAL COMPLIANCE:

None.

COMMITTEE STATUS:

This item was reviewed by the Finance Committee on December 5, 2005 and was recommended for approval at the December 19, 2005 Board meeting.

RECOMMENDED MOTION:

That the Board authorizes the District Treasurer to enter into a time deposit with Broadway Federal that provides the most advantageous rate available at the time of Board approval.

LIST OF EXHIBITS:

None.