

**ZONE 7 BOARD OF DIRECTORS
FINANCE COMMITTEE**

DATE: February 15, 2024
TIME: 11:00 a.m.
LOCATION: Boardroom
Zone 7 Administration Building
100 North Canyons Parkway, Livermore

Director Gambs
Director Narum
Director Ramirez Holmes

AGENDA

1. Call Meeting to Order
2. Public Comment on Items Not on the Agenda
3. Investment Report as of December 31, 2023 (Unaudited)
4. FY 2022-23 Pension Trust Fund Contribution Recommendation
5. FY 2023-24 Unaudited Second Quarter Revenue and Expenditure Report
6. Verbal Reports
7. Adjournment



100 North Canyons Parkway
Livermore, CA 94551
(925) 454-5000

December 31, 2023

Board of Directors
Zone 7 Water Agency
100 North Canyons Parkway
Livermore, CA 94551

Subject: **Investment Report as of December 31, 2023 (Unaudited)**

Dear Board Members:

Pursuant to Resolution No. 23-46, dated June 30, 2023, the Board adopted the Agency investment policy. In accordance with Strategic Plan Initiative No. 24 – Continue to effectively manage financial resources for the Agency in a prudent manner and in accordance with the Investment Policy, attached is the Agency quarterly informational investment report as of December 31, 2023. Enclosed with this report is a detailed composition of investments held in Zone 7's name by securities category as of December 31, 2023. This report reflects the market value and cost of purchase of the securities.

All Agency investments in this investment management portfolio conform to the investment policy and are in accordance with California Government Code Section 53600, et. seq. Below is the Agency's investment portfolio management summary:

| Investment Type | Face Amount | Market Value | Book Value | % of Portfolio | Permitted by Agency Policy | In Compliance | Book Yield (YTM at Cost) |
|--|-----------------------|-----------------------|-----------------------|----------------|----------------------------|---------------|--------------------------|
| U.S. Treasury Bond/ Note | \$ 93,070,000 | \$ 88,195,591 | \$ 90,907,807 | 64.96% | No Limit | Yes | 2.81% |
| Corporate Bonds (Medium Term Notes) | 22,190,000 | 21,943,711 | 22,228,173 | 16.16% | 30% | Yes | 4.06% |
| Federal Agency Commercial Mortgage-Backed Security | 15,521,233 | 15,571,603 | 15,310,781 | 11.47% | No Limit | Yes | 4.94% |
| Negotiable Certificate of Deposit (CD) | 1,350,000 | 1,324,071 | 1,380,671 | 0.98% | 30% | Yes | 5.08% |
| Asset-Backed Securities | 3,550,000 | 3,604,457 | 3,558,424 | 2.66% | 20% | Yes | 5.24% |
| Money Market (1) | 5,119,265 | 5,119,265 | 5,119,265 | 3.77% | 20% | Yes | 5.24% |
| Total Investments | \$ 140,800,498 | \$ 135,758,698 | \$ 138,505,121 | 100% | | | 3.36% |
| US Bank | 4,826,064 | 4,826,064 | 4,826,064 | | | | |
| Total Cash & Investments | \$ 145,626,562 | \$ 140,584,762 | \$ 143,331,185 | | | | 3.36% |

(1) **Money Market:** The Money Market Book Yield (Yield to Maturity at Cost) is not part of the overall securities YTM at Cost from PFM Asset Management, it's from the U.S. Bank as custody bank.

In addition, the Agency has cash and investments pooled with the Alameda County Treasury. The County Treasurer acts as the disbursing agent for these funds for the Agency and the cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer for the County.



As of December 31, 2023, the County Treasurer held approximately \$156,813,440 (unaudited) for the Agency. The amount held by the County Treasurer is sufficient to meet all operating cash needs for the Agency within the next six months. Here is a link to the County investment reports: <https://treasurer.acgov.org/treasury/reports.page?>

I hereby certify that, to the best of my actual knowledge, this report includes all investments in the Agency pool investment portfolio and is in conformity with the Agency's current investment policy dated July 1, 2023.

Market value amounts are from PFM Asset Management which provides investment management services for the Agency. U.S. Bank provides the Agency custody services. Book value amounts include premiums or discounts and are adjusted at year end on the general ledger.

Sincerely,

DocuSigned by:

Osborn Solitei

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Osborn Solitei, Treasurer

Attachments:

- Agency Investment Management Portfolio as of December 31, 2023
- PFM Asset Management Investment Performance Review for December 31, 2023

c: Valerie Pryor, General Manager



ZONE 7 WATER AGENCY

Investment Performance Review For the Quarter Ended December 31, 2023

Client Management Team

Monique Spyke, Managing Director
Joseph Creason, Portfolio Manager
Jeremy King, Key Account Manager

PFM Asset Management LLC

1 California Street Ste. 1000
San Francisco, CA 94111-5411
415-393-7270

213 Market Street
Harrisburg, PA 17101-2141
717-232-2723

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

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Market Update

Current Market Themes



- ▶ The U.S. economy is characterized by:
 - ▶ Economic resilience but expectations for a slowdown
 - ▶ Cooling inflation that still remains above the Federal Reserve's ("Fed") target
 - ▶ The labor market coming into better balance
 - ▶ Consumers that continue to support growth through spending



- ▶ Federal Reserve signals end to rate hiking cycle
 - ▶ Fed projected to cut the short-term Fed funds rate by 75 basis points by December 2024, with the overnight rate falling to 4.50% to 4.75%
 - ▶ Markets are pricing a more aggressive 6 rate cuts by year end
 - ▶ Fed officials reaffirm that restoring price stability is the priority



- ▶ Treasury yields ended the quarter materially lower
 - ▶ After peaking in October, yields reversed course on dovish Fed pivot
 - ▶ Yield curve inversion persisted throughout the rally
 - ▶ Credit spreads narrowed sharply on increased expectations for a soft landing

Rates Fall on Softer Inflation and Fed Pivot

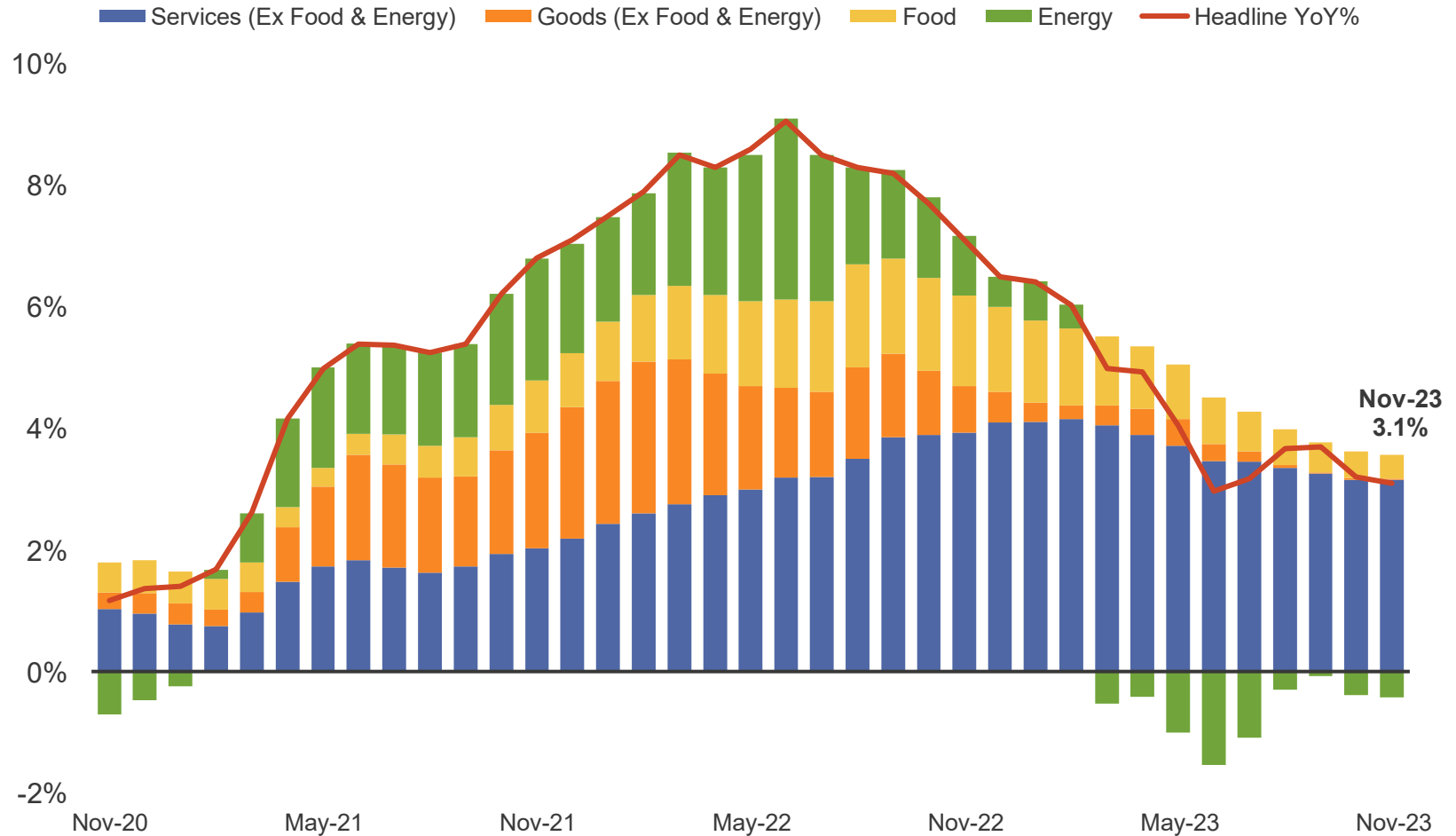
2-Year US Treasury Yield



Source: Bloomberg, as of 12/31/2023.

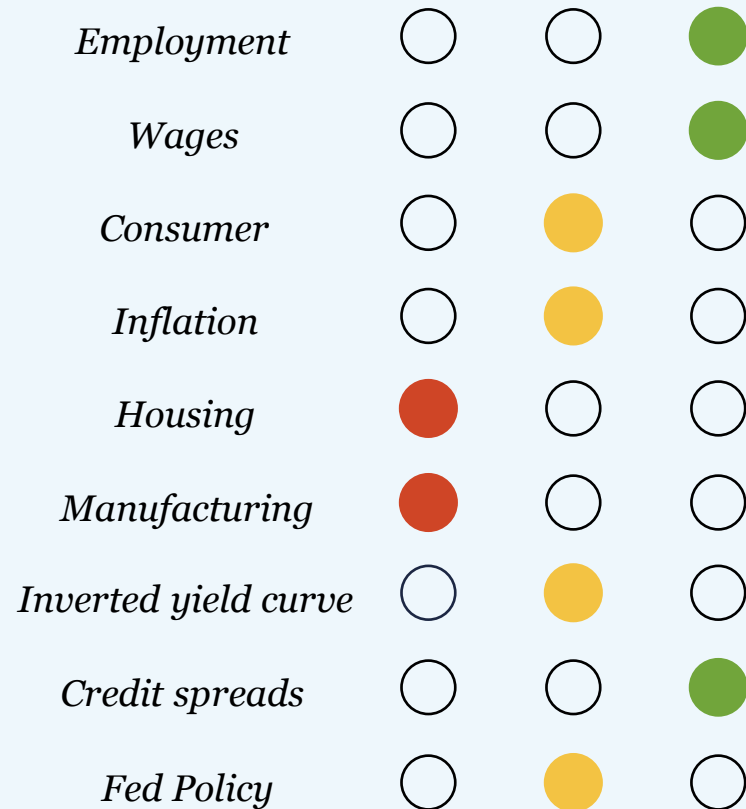
Inflation Continues to Trend Lower

Consumer Prices (CPI) Year-over-Year Change in Top-Line Contributions



Source: Bloomberg, as of November 2023.

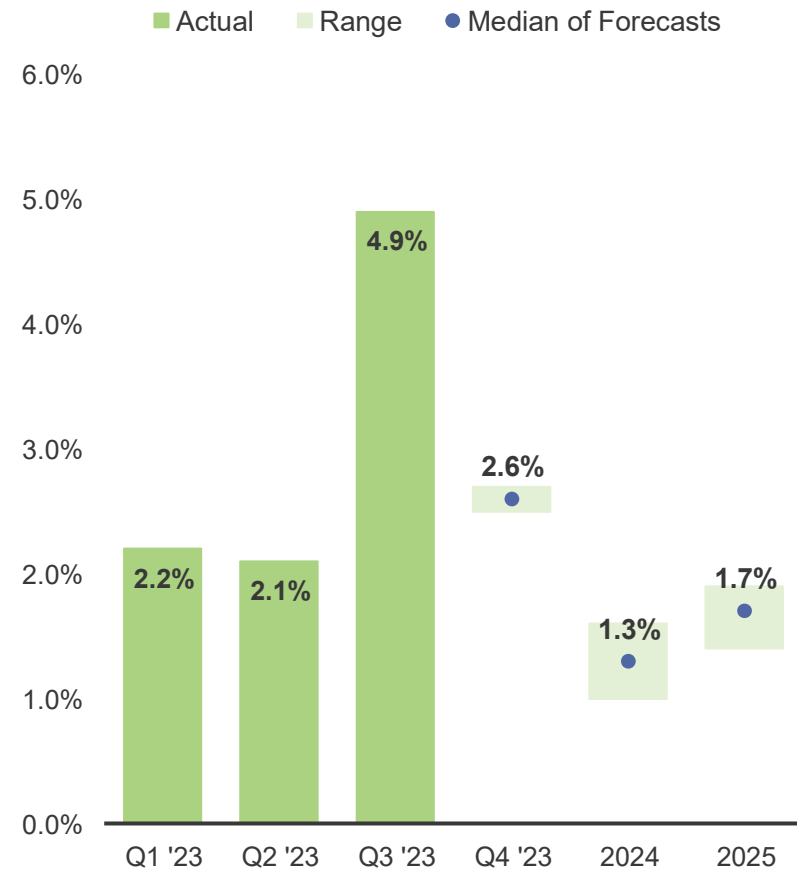
Balanced Risks Support Soft Landing



Source: Bloomberg, Economist Forecasts.

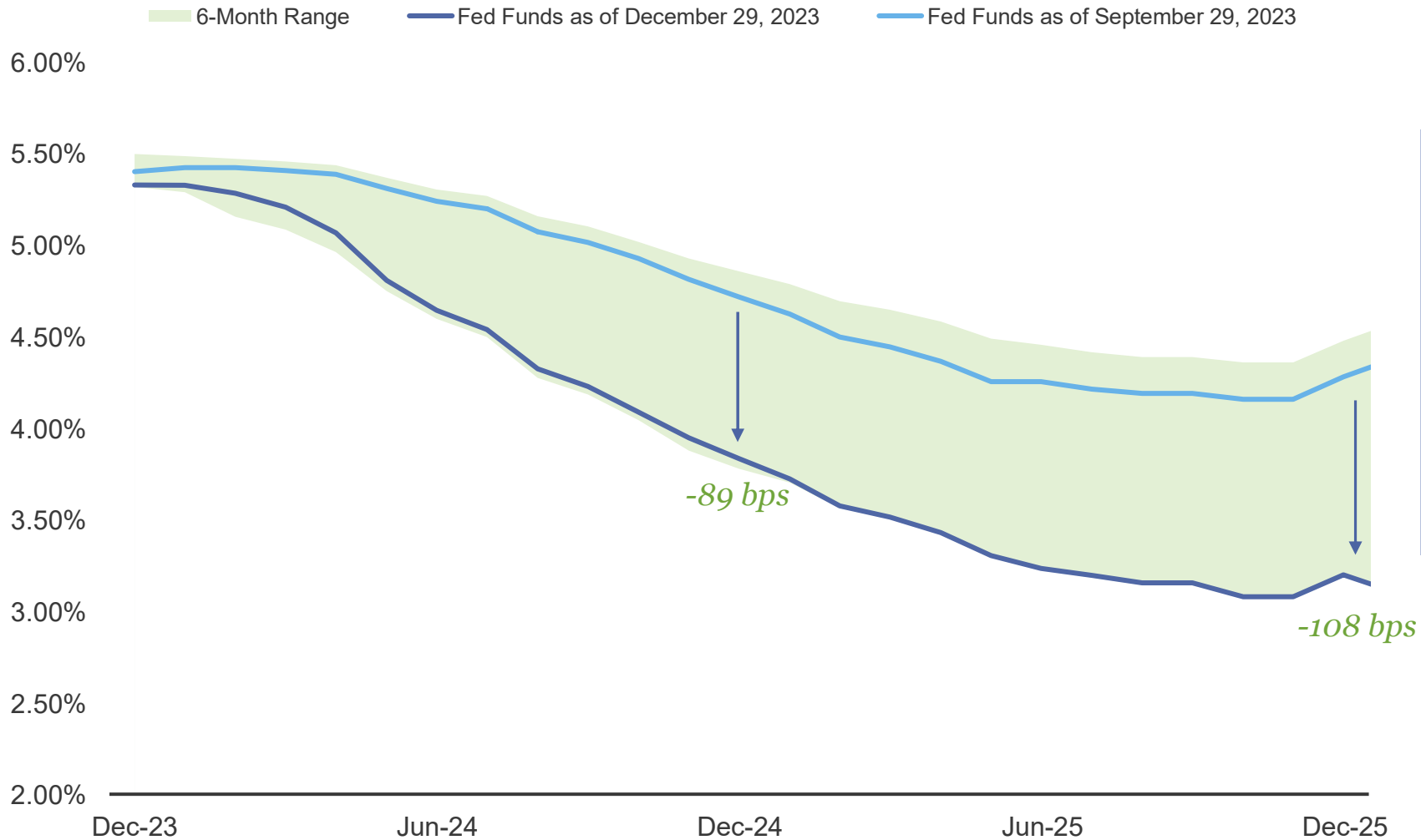
U.S. GDP Forecasts

Annualized Rate



Market Expects Lower Rates

Implied Fed Funds Rate

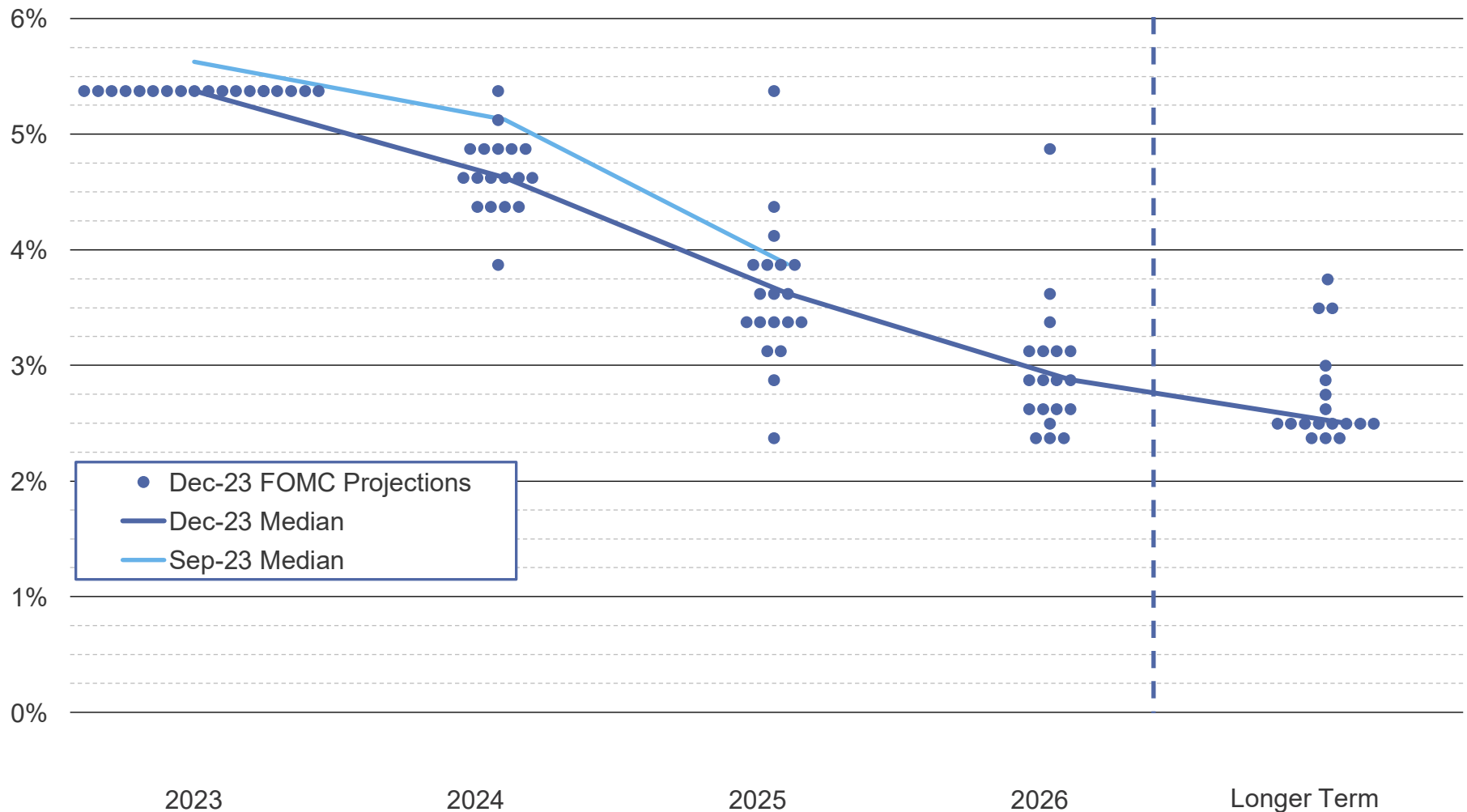


Expectations for Fed Funds have reached their most dovish levels in 6 months in response to falling inflation, Fed pivot, and moderating labor market

Source: Bloomberg, as of December 2023.

Fed's Updated "Dot Plot" Also Shows Lower Rate Trajectory

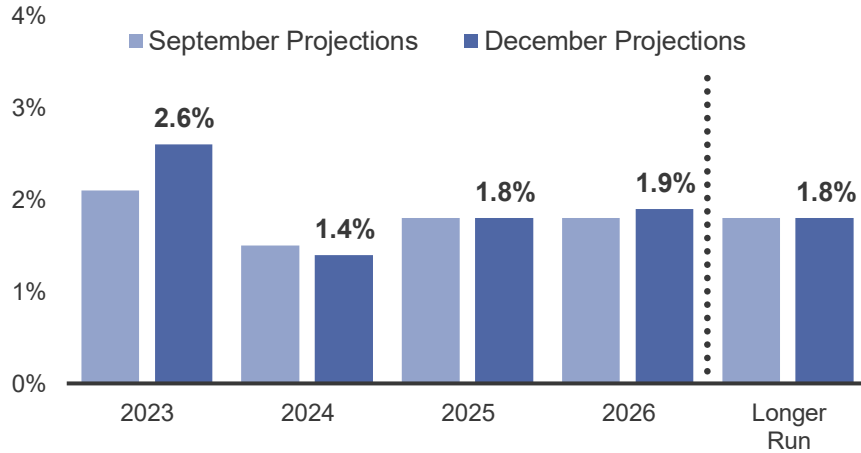
Fed Participants' Assessments of 'Appropriate' Monetary Policy



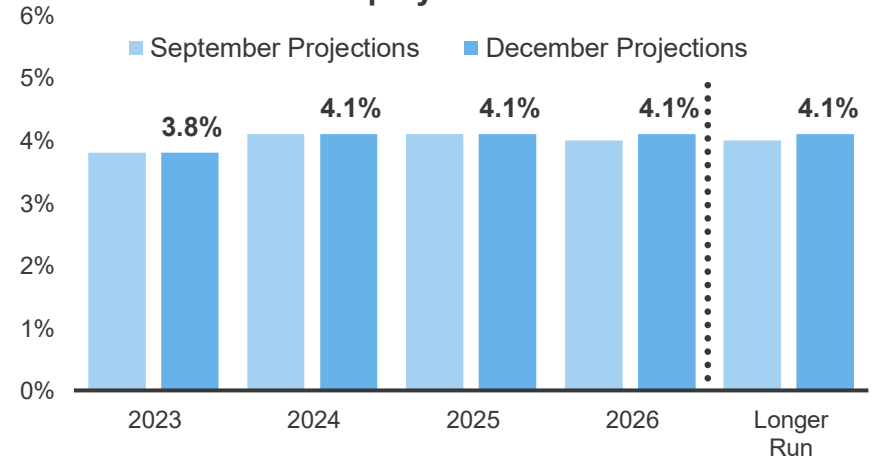
Source: Federal Reserve. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end.

Federal Reserve Projects a Soft Landing

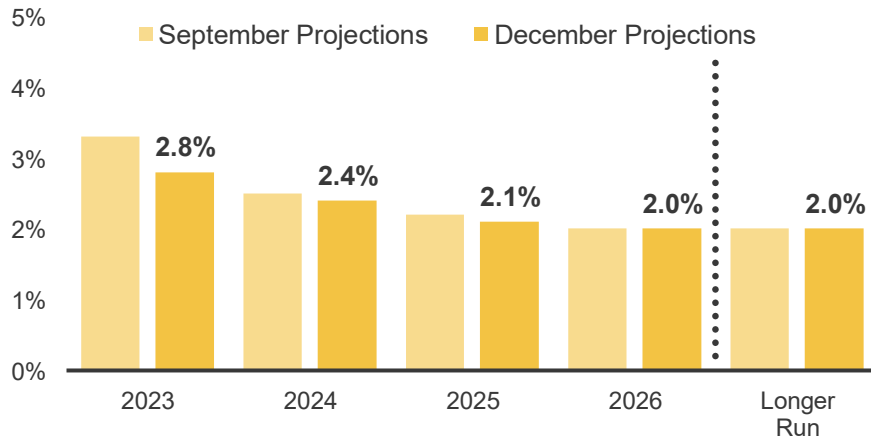
Change in Real GDP



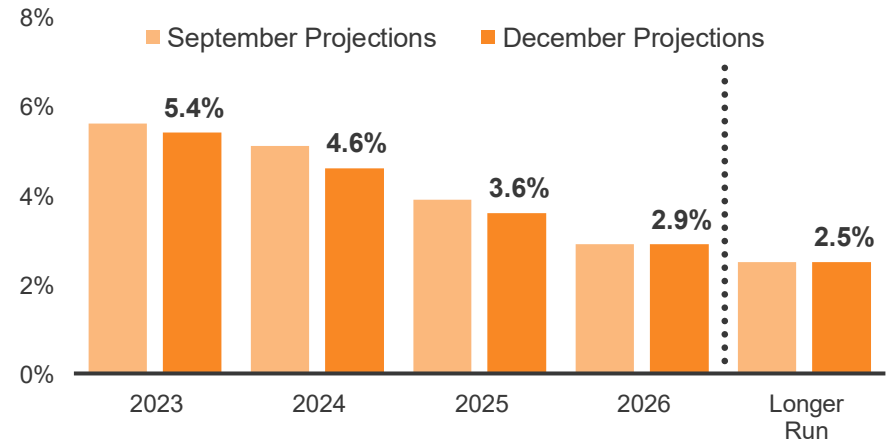
Unemployment Rate



PCE Inflation



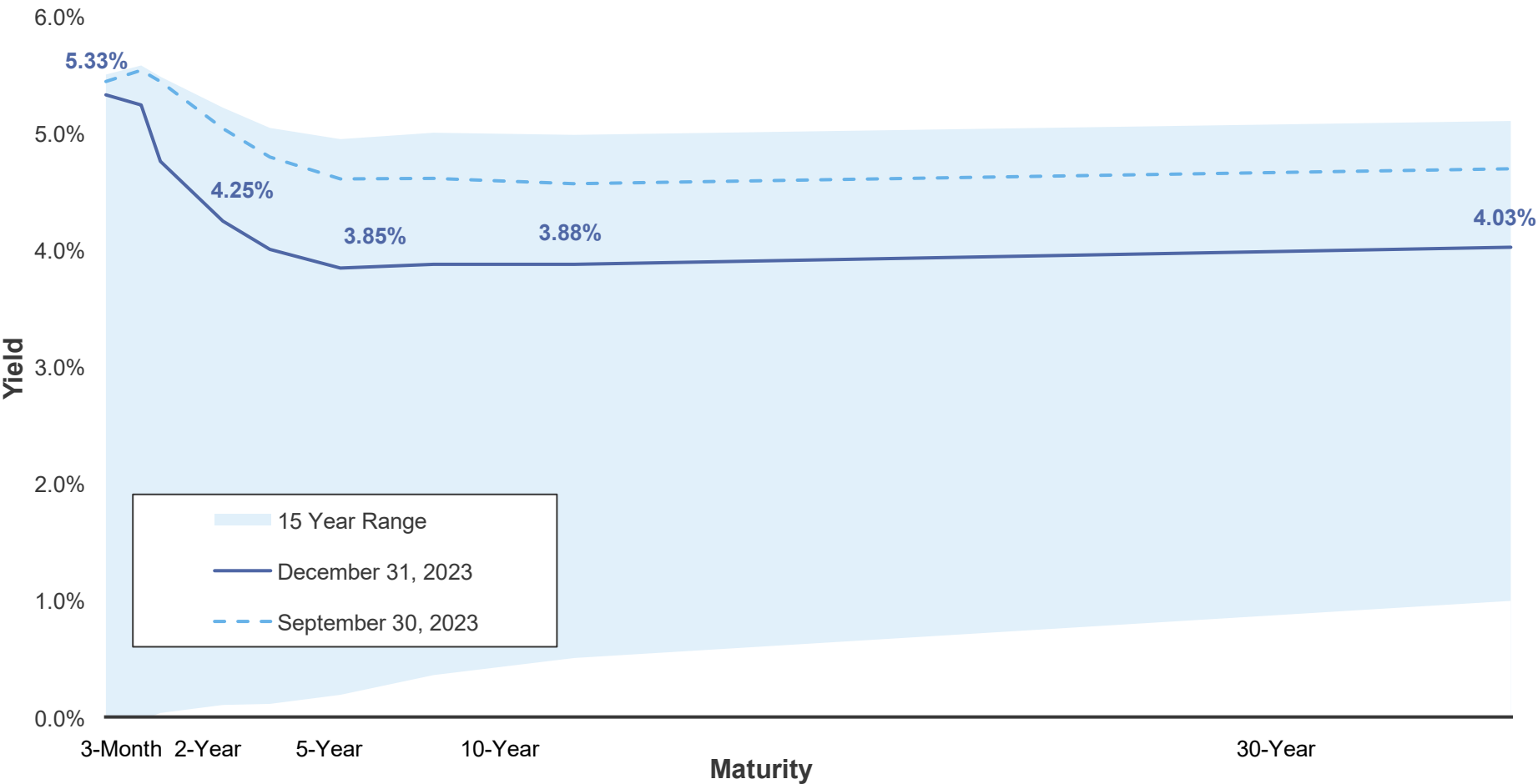
Federal Funds Rate



Source: Federal Reserve, latest economic projections as of December 2023.

Interest Rates Moderate but Remain High

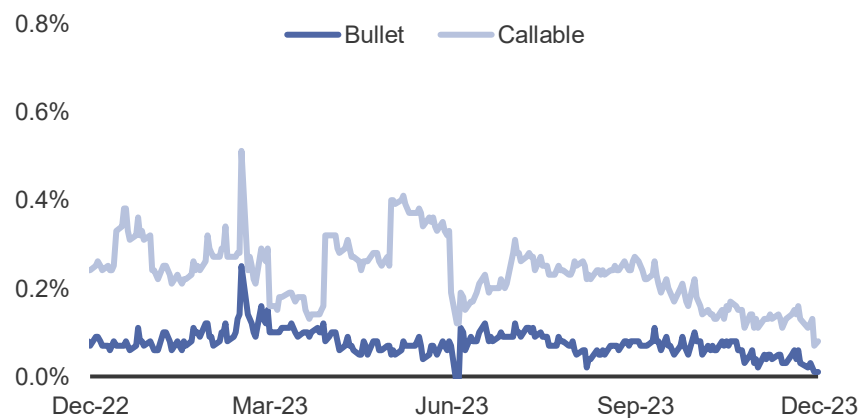
U.S. Treasury Yield Curve



Source: Bloomberg, as of December 31, 2023.

Sector Yield Spreads

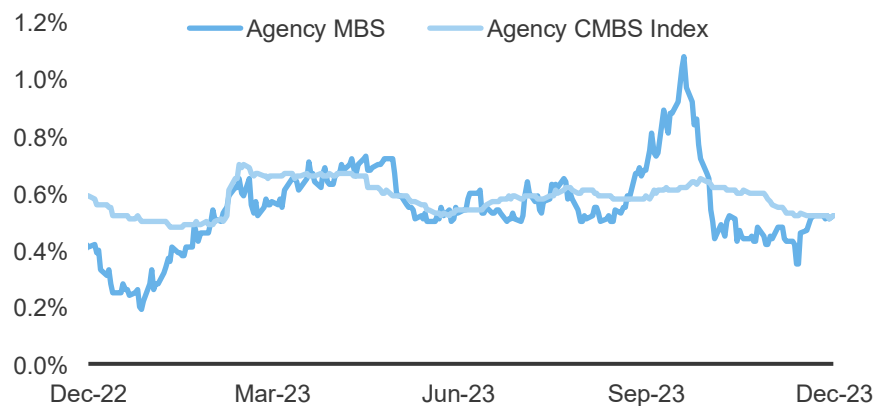
Federal Agency Yield Spreads



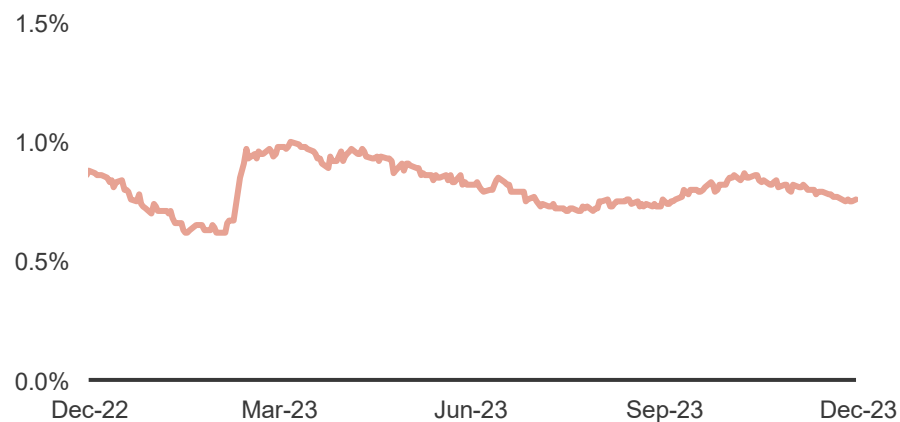
Corporate Notes A-AAA Yield Spreads



Mortgage-Backed Securities Yield Spreads



Asset-Backed Securities AAA Yield Spreads

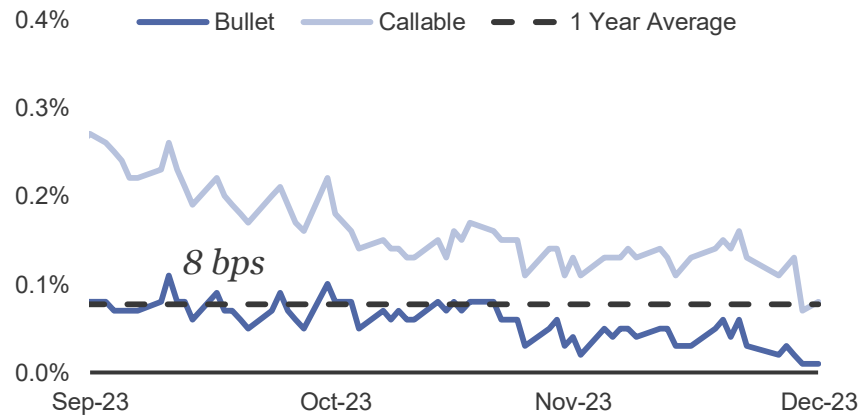


Source: ICE BofA 1-5 year Indices via Bloomberg, MarketAxess and PFMAM as of December 31, 2023. Spreads on ABS and MBS are option-adjusted spreads of 0-5 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries.

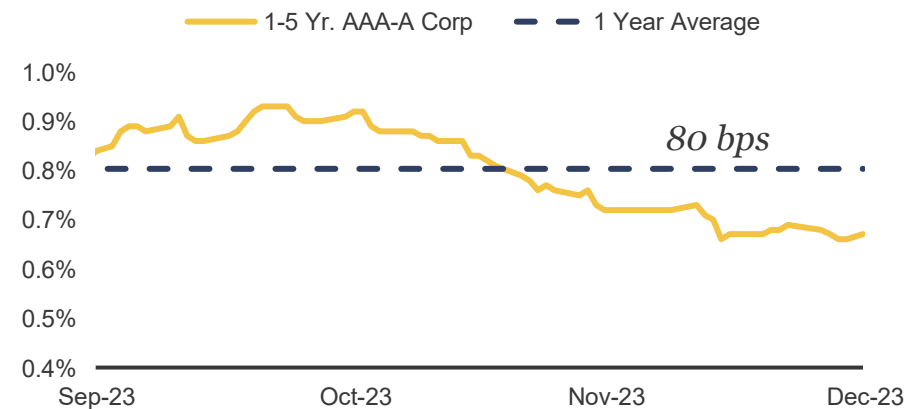
CMBS is Commercial Mortgage-Backed Securities and represented by the ICE BofA Agency CMBS Index.

Sector Yield Spreads

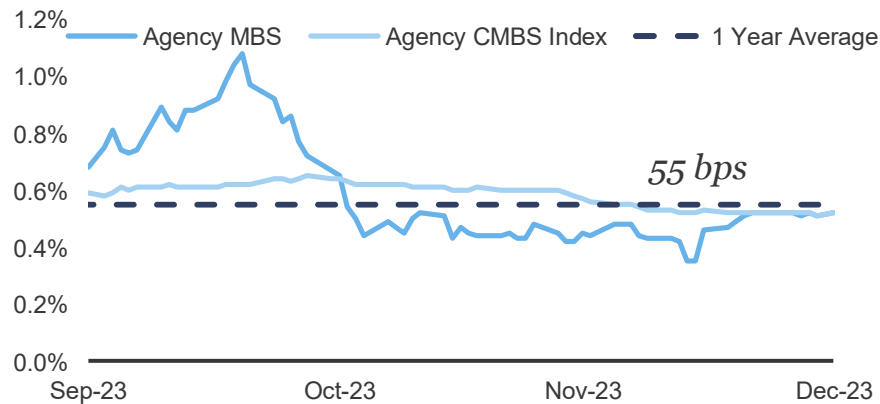
Federal Agency Yield Spreads



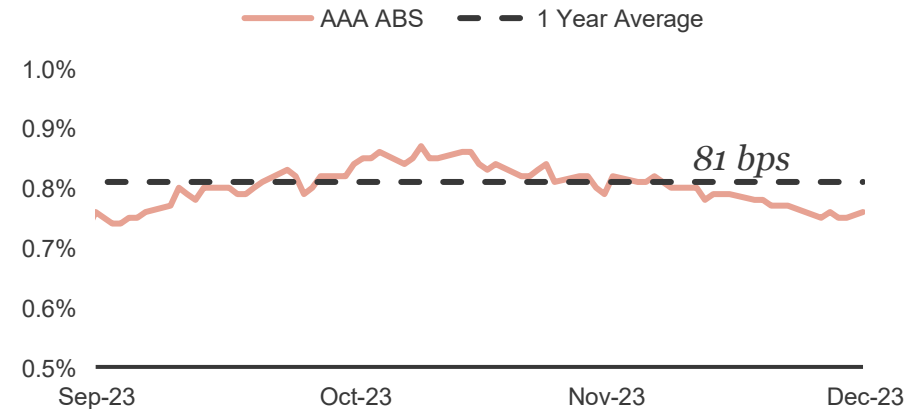
Corporate Notes A-AAA Yield Spreads



Mortgage-Backed Securities Yield Spreads



Asset-Backed Securities AAA Yield Spreads

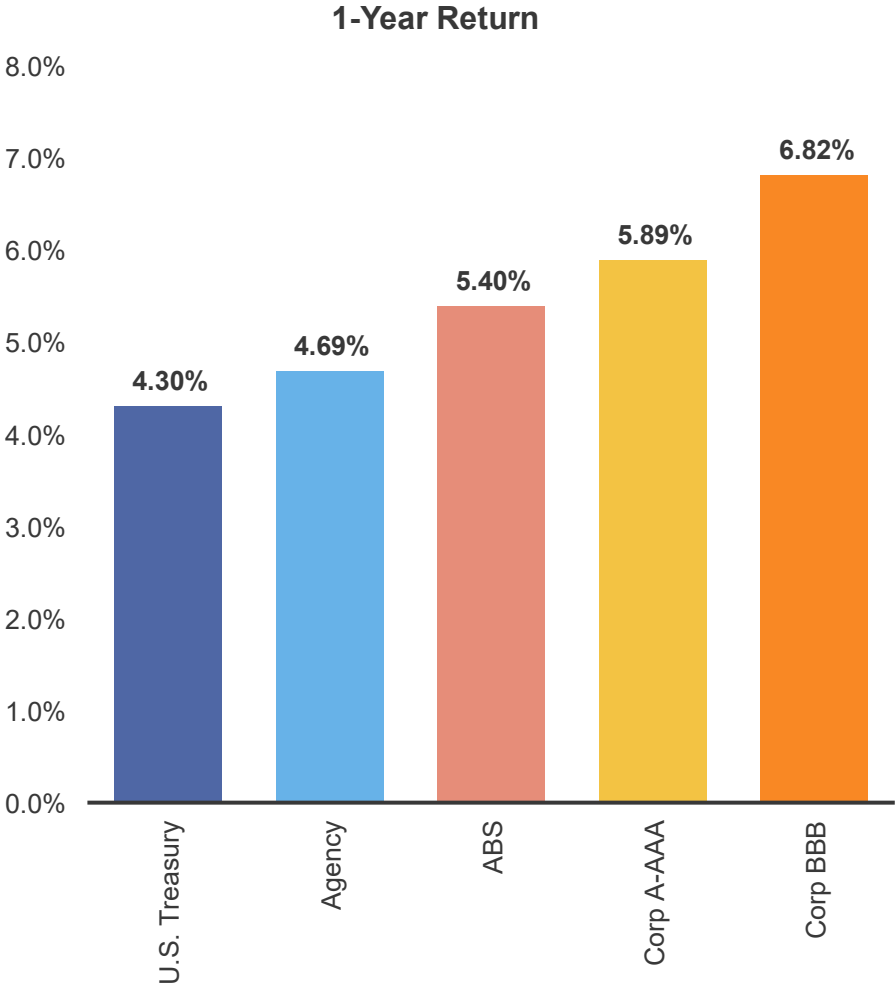
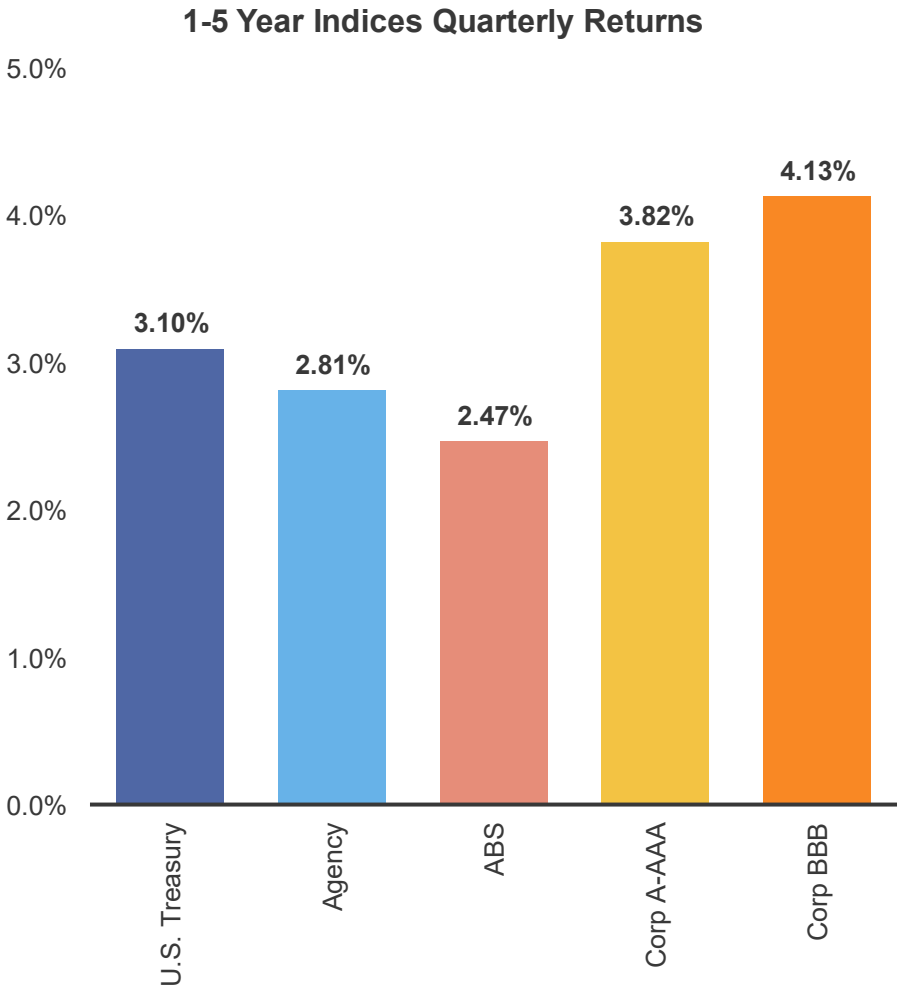


Source: ICE BofA 1-5 year Indices via Bloomberg, MarketAxess and PFMAM as of December 31, 2023. Spreads on ABS and MBS are option-adjusted spreads of 0-5 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries.

CMBS is Commercial Mortgage-Backed Securities and is represented by the ICE BofA Agency CMBS Index.

Fixed-Income Markets in 4Q 2023

1-5 Year Indices



Source: ICE BofA Indices. ABS indices are 0-5 year, based on weighted average life. As of December 31, 2023.

Fixed-Income Sector Commentary – 4Q 2023

- ▶ **U.S. Treasuries** yields are lower by 70-80 basis points over the quarter for maturities greater than one year as markets have now priced five to six rate cuts in 2024. While the curve remains inverted, yield levels remain above their 30-year averages.
- ▶ **Federal agency** spreads remained tight and issuance was light. As a result, value during Q4 was limited. Excess returns of callable structures outperformed bullets as spreads narrowed from historical wides.
- ▶ **Supranational** spreads, similar to agencies, remained low and range-bound on limited supply, favoring opportunities in other sectors.
- ▶ **Taxable Municipal** issuance remained heavily oversubscribed due to a lack of supply. The secondary market had limited opportunities to pick up yield versus similarly-rated corporates.
- ▶ **Investment-Grade Corporates** were one of the best performing fixed-income sectors for both Q4 and calendar year 2023. After a brief broad market de-risking in late September and most of October, the IG corporate sector did an about-face and finished the year with spreads rallying to their lowest levels in over nine months. Strong economic conditions, the increasing perception of a soft landing, and robust demand for the sector fueled the market rally, as longer duration and lower quality issuers outperformed.
- ▶ **Asset-Backed Securities** generated positive excess returns in Q4, although not to the same extent as corporates. While spreads tightened into year-end, the relatively muted rally vs. other non-government sectors possibly underscores the market expectation for modestly weaker consumer fundamentals moving forward. Incremental income from the sector remains attractive and our fundamental outlook for the economy is supportive for the sector.
- ▶ **Mortgage-Backed Securities** were one of the best performing investment grade sectors in Q4 despite a roller coaster pathway. After widening in October to their highest levels since the spring of 2020, spreads proceeded to rally into year-end, finishing near nine-month lows.
- ▶ **Short-term credit** (commercial paper and negotiable CDs) spreads tightened over the quarter and the credit curve flattened modestly. Shorter-term maturities are less attractive and we prefer issuers with maturities between 6 and 12 months.

Fixed-Income Sector Outlook – 1Q 2024

| Sector | Our Investment Preferences |
|------------------------------|----------------------------|
| COMMERCIAL PAPER / CD | |
| TREASURIES | |
| T-Bill | |
| T-Note | |
| FEDERAL AGENCIES | |
| Bullets | |
| Callables | |
| SUPRANATIONALS | |
| CORPORATES | |
| Financials | |
| Industrials | |
| SECURITIZED | |
| Asset-Backed | |
| Agency Mortgage-Backed | |
| Agency CMBS | |
| MUNICIPALS | |

● Current outlook

○ Outlook one quarter ago

Negative

Slightly
Negative

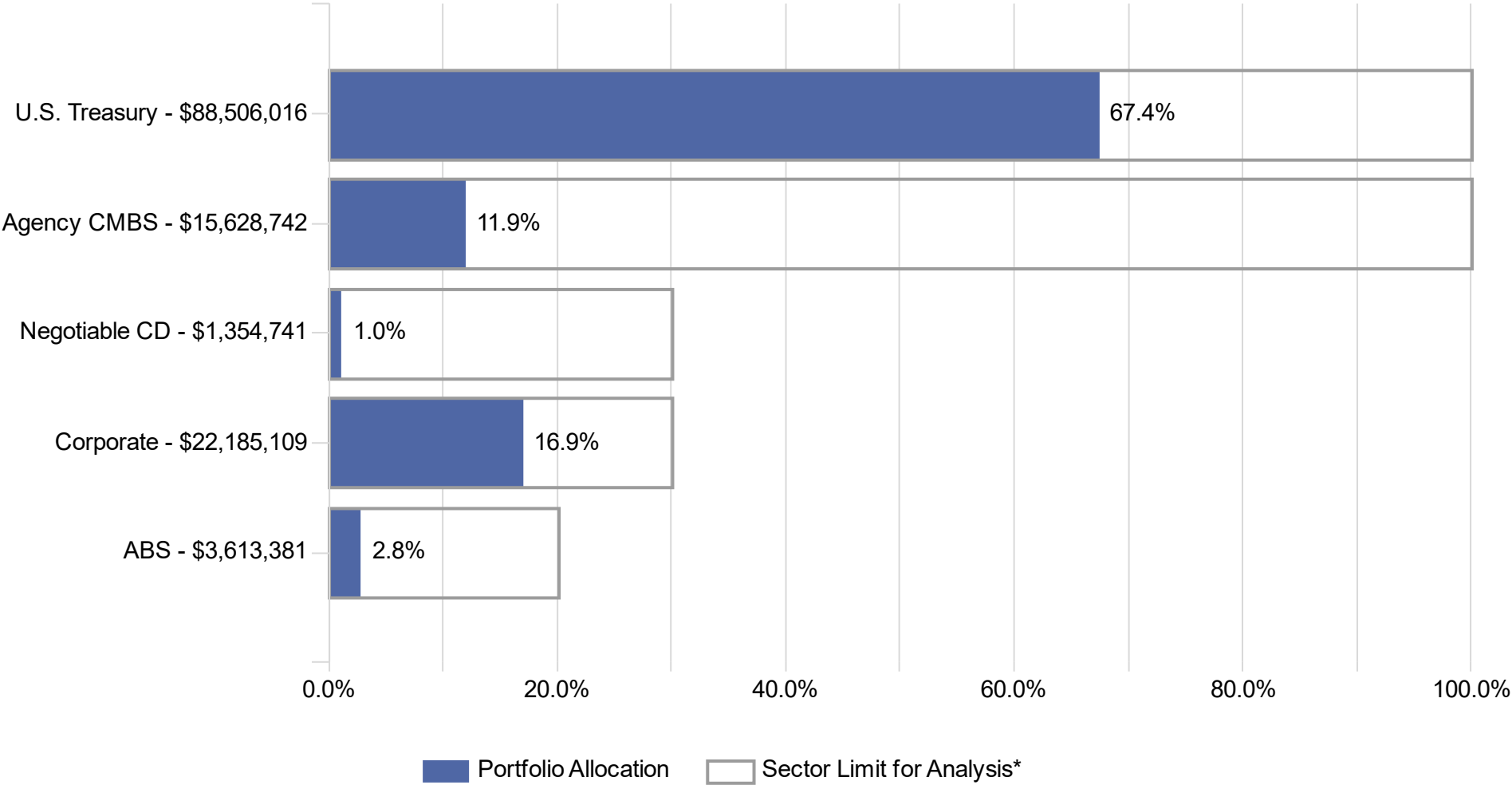
Neutral

Slightly
Positive

Positive

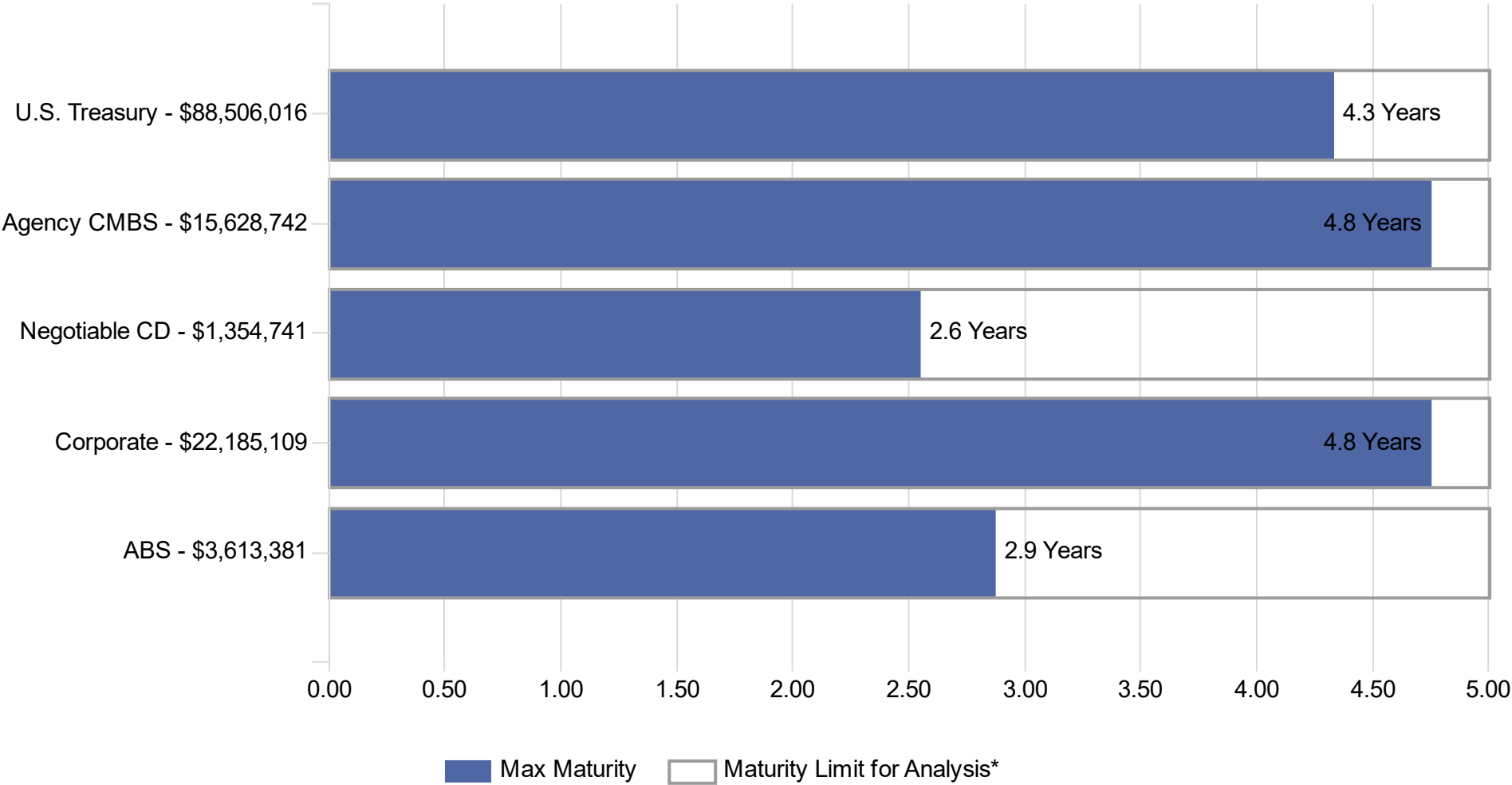
Account Summary

Sector Allocation Analytics



For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest.
*Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.

Max Maturity Analytics



For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest and excludes balances invested in overnight funds.
*Maturity Limit for Analysis is derived from our interpretation of your most recent Investment Policy as provided.
Mortgage-backed securities and asset-backed securities, if any, limit is based on weighted average life, if applicable. Callable securities, if any, limit is based on maturity date.

Certificate of Compliance

During the reporting period for the quarter ended December 31, 2023, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management LLC*

Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Asset and Investment Management ("AIM").

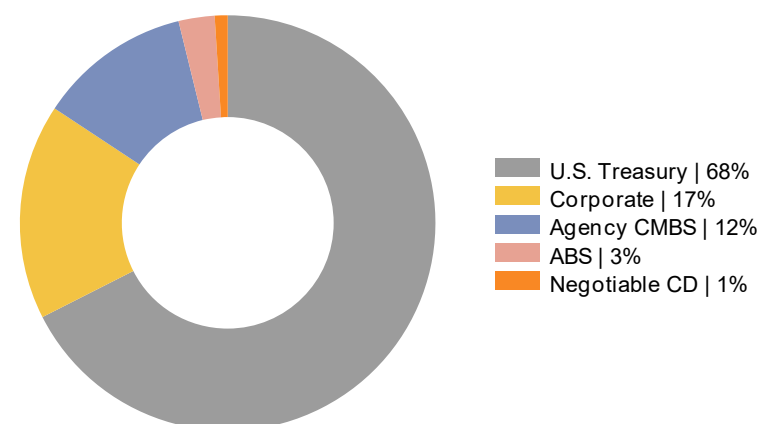
Portfolio Review: ZONE 7 WATER AGENCY

Portfolio Snapshot - ZONE 7 WATER AGENCY¹

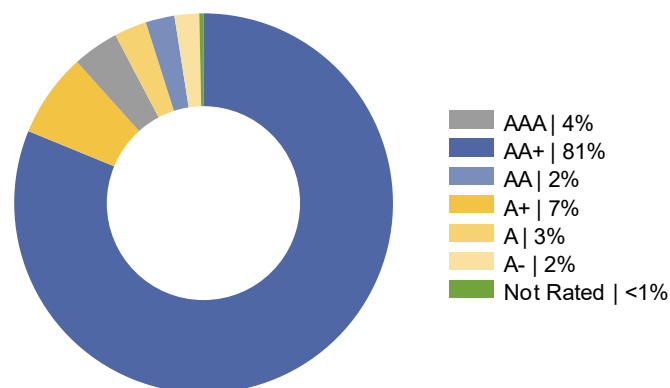
Portfolio Statistics

| | |
|-------------------------------------|------------------|
| Total Market Value | \$136,414,128.90 |
| Securities Sub-Total | \$130,639,433.09 |
| Accrued Interest | \$648,555.94 |
| Cash | \$5,126,139.87 |
| Portfolio Effective Duration | 2.62 years |
| Benchmark Effective Duration | 2.53 years |
| Yield At Cost | 3.36% |
| Yield At Market | 4.34% |
| Portfolio Credit Quality | AA |

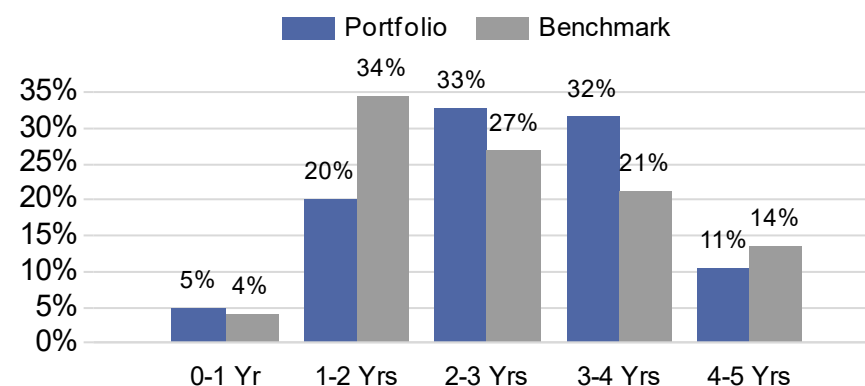
Sector Allocation



Credit Quality - S&P



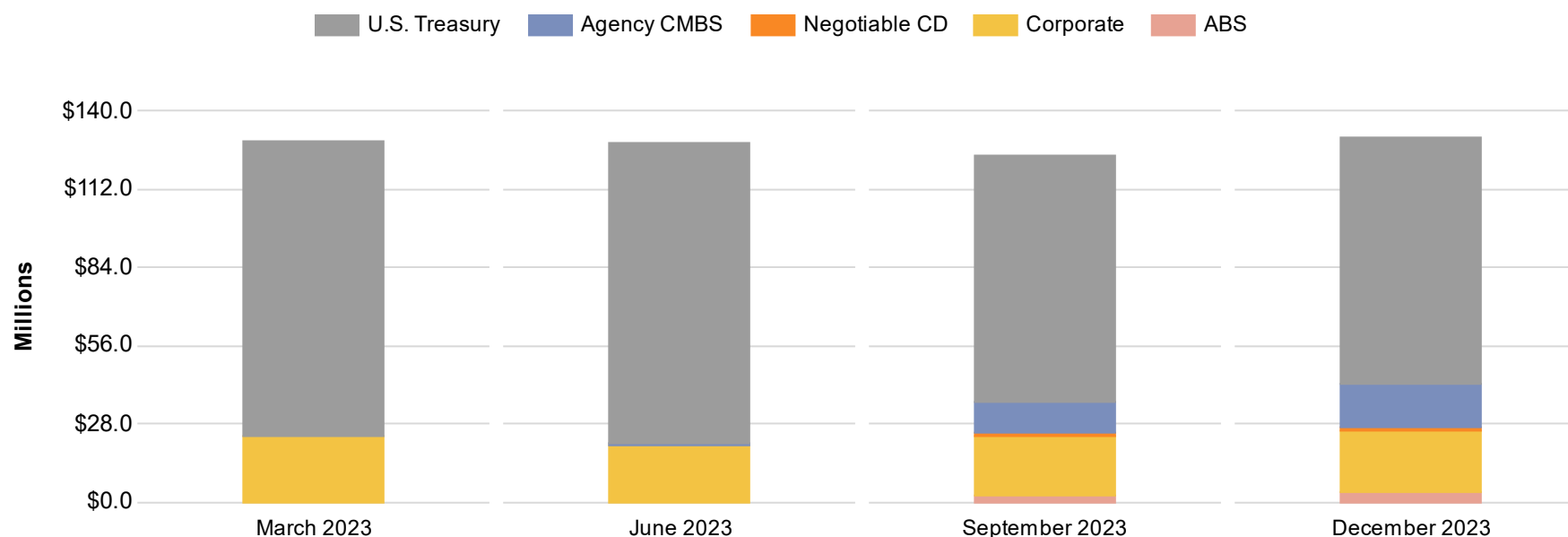
Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest. The portfolio's benchmark is the ICE BofA 1-5 Year U.S. Treasury Index. Source: Bloomberg. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

Sector Allocation Review - ZONE 7 WATER AGENCY

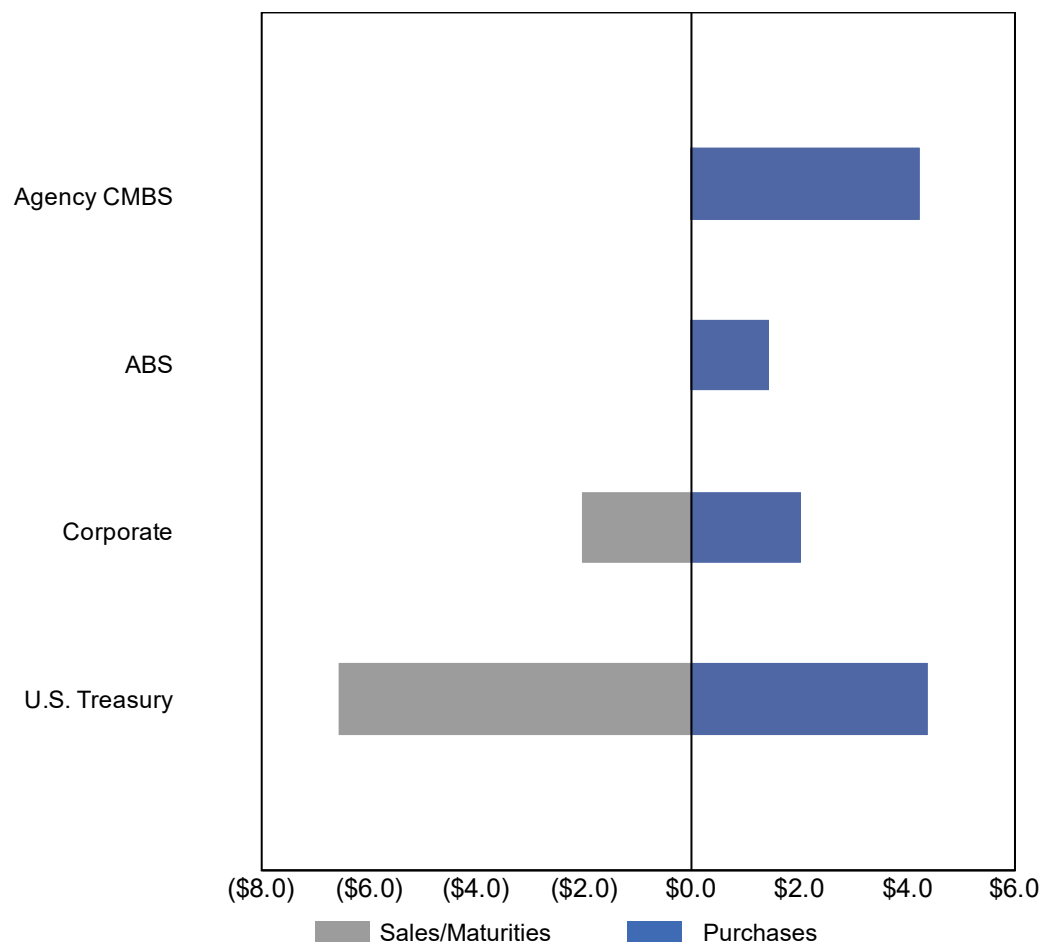
| Security Type | Mar-23 | % of Total | Jun-23 | % of Total | Sep-23 | % of Total | Dec-23 | % of Total |
|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
| U.S. Treasury | \$105.4 | 81.6% | \$107.7 | 83.7% | \$88.1 | 71.2% | \$88.2 | 67.5% |
| Agency CMBS | \$0.0 | 0.0% | \$0.9 | 0.7% | \$10.8 | 8.8% | \$15.6 | 11.9% |
| Negotiable CD | \$0.0 | 0.0% | \$0.0 | 0.0% | \$1.3 | 1.1% | \$1.3 | 1.0% |
| Corporate | \$23.8 | 18.4% | \$20.1 | 15.6% | \$21.3 | 17.2% | \$21.9 | 16.8% |
| ABS | \$0.0 | 0.0% | \$0.0 | 0.0% | \$2.1 | 1.7% | \$3.6 | 2.8% |
| Total | \$129.3 | 100.0% | \$128.7 | 100.0% | \$123.7 | 100.0% | \$130.6 | 100.0% |



Market values, excluding accrued interest. Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM. Detail may not add to total due to rounding.

Portfolio Activity - ZONE 7 WATER AGENCY

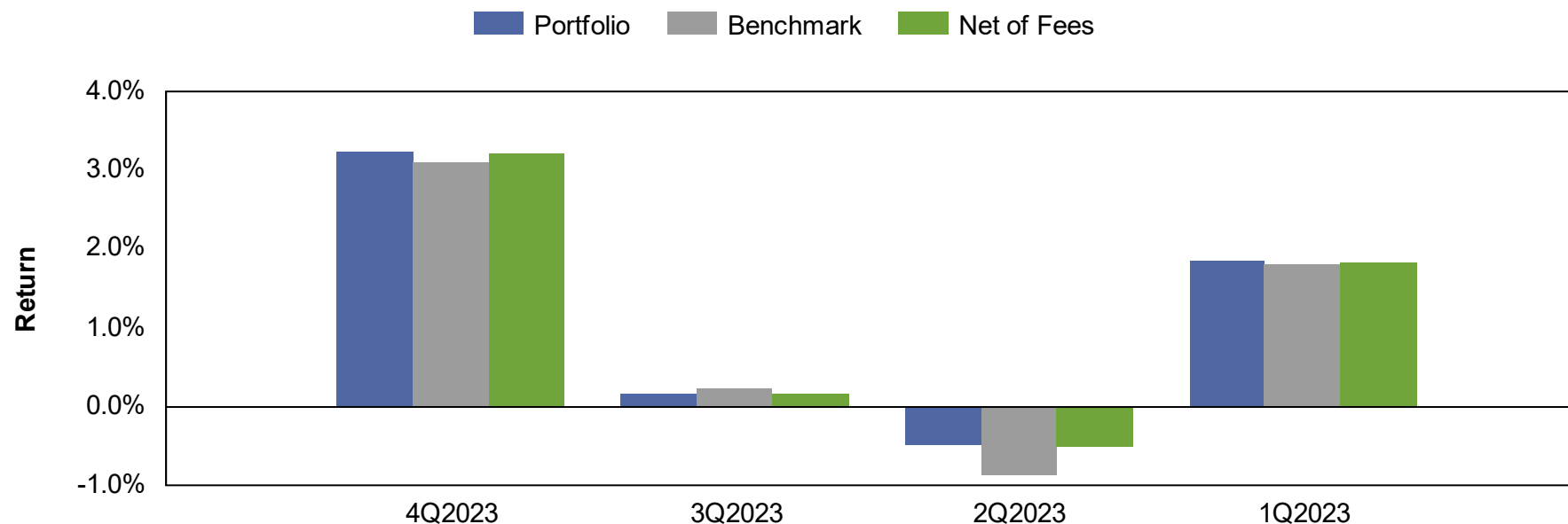
Net Activity by Sector (\$ millions)



| Sector | Net Activity |
|---------------------------|--------------------|
| Agency CMBS | \$4,229,751 |
| ABS | \$1,434,818 |
| Corporate | (\$1,325) |
| U.S. Treasury | (\$2,169,497) |
| Total Net Activity | \$3,493,747 |

Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

Portfolio Performance



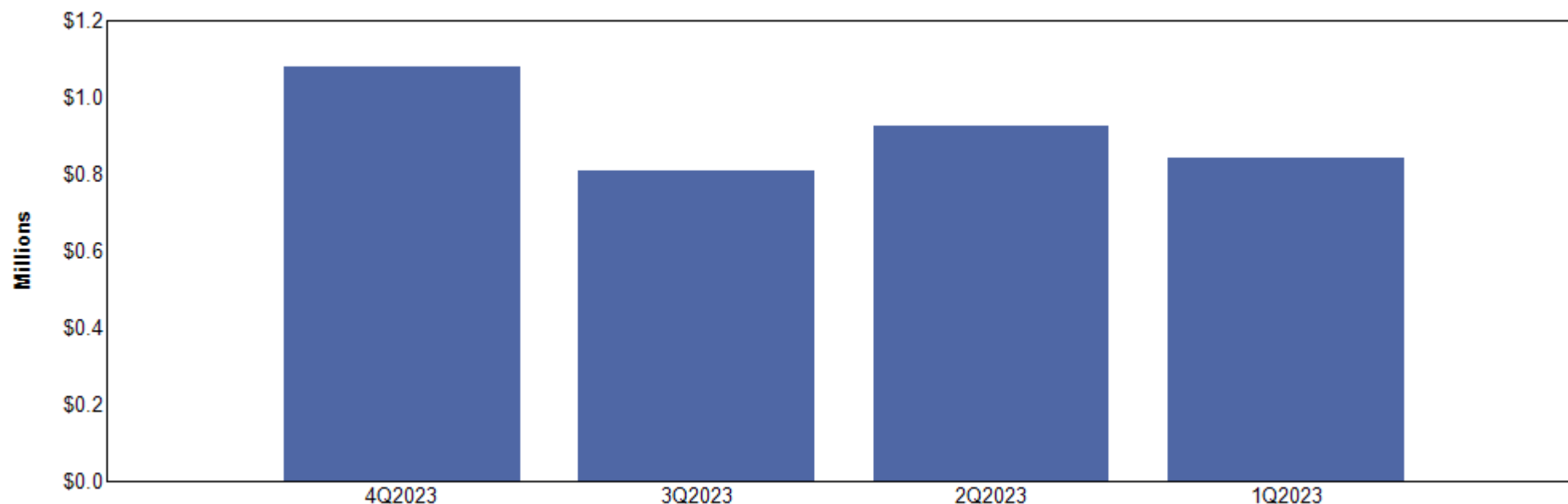
| Market Value Basis Earnings | 4Q2023 | 3Q2023 | 2Q2023 | 1Q2023 |
|---------------------------------|--------------------|------------------|--------------------|--------------------|
| Interest Earned ¹ | \$842,902 | \$710,235 | \$599,139 | \$558,797 |
| Change in Market Value | \$3,420,672 | (\$487,156) | (\$1,256,358) | \$1,882,121 |
| Total Dollar Return | \$4,263,574 | \$223,079 | (\$657,219) | \$2,440,918 |
| Total Return² | | | | |
| Portfolio | 3.23% | 0.16% | -0.49% | 1.84% |
| Benchmark ³ | 3.10% | 0.23% | -0.86% | 1.82% |
| Basis Point Fee | 0.02% | 0.02% | 0.02% | 0.02% |
| Net of Fee Return | 3.21% | 0.14% | -0.50% | 1.83% |

1. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

2. Returns are presented on a periodic basis.

3. The portfolio's benchmark is the ICE BofA 1-5 Year U.S. Treasury Index. Source: Bloomberg.

Accrual Basis Earnings - ZONE 7 WATER AGENCY



| Accrual Basis Earnings | 4Q2023 | 3Q2023 | 2Q2023 | 1Q2023 |
|--|--------------------|------------------|------------------|------------------|
| Interest Earned ¹ | \$842,902 | \$710,235 | \$599,139 | \$558,797 |
| Realized Gains / (Losses) ² | (\$68,143) | (\$202,352) | \$344 | \$4,031 |
| Change in Amortized Cost | \$304,692 | \$301,060 | \$324,706 | \$278,167 |
| Total Earnings | \$1,079,450 | \$808,943 | \$924,189 | \$840,995 |

1. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

2. Realized gains / (losses) are shown on an amortized cost basis.

Portfolio Holdings and Transactions

Issuer Diversification

| Security Type / Issuer | Market Value (%) | S&P / Moody's / Fitch |
|--------------------------|------------------|-----------------------|
| U.S. Treasury | 67.4% | |
| UNITED STATES TREASURY | 67.4% | AA / Aaa / AA |
| Agency CMBS | 11.9% | |
| FANNIE MAE | 1.0% | AA / Aaa / AA |
| FREDDIE MAC | 10.9% | AA / Aaa / AA |
| Negotiable CD | 1.0% | |
| RABOBANK NEDERLAND | 1.0% | A / Aa / AA |
| Corporate | 16.9% | |
| AMAZON.COM INC | 1.5% | AA / A / AA |
| APPLE INC | 1.8% | AA / Aaa / NR |
| BANK OF AMERICA CO | 1.5% | A / A / AA |
| CITIGROUP INC | 1.6% | A / Aa / A |
| DEERE & COMPANY | 0.8% | A / A / A |
| HOME DEPOT INC | 1.0% | A / A / A |
| JP MORGAN CHASE & CO | 2.1% | A / Aa / AA |
| MICROSOFT CORP | 1.6% | AAA / Aaa / NR |
| PACCAR FINANCIAL CORP | 0.8% | A / A / NR |
| TARGET CORP | 1.0% | A / A / A |
| TOYOTA MOTOR CORP | 0.8% | A / A / A |
| WAL-MART STORES INC | 1.0% | AA / Aa / AA |
| WELLS FARGO & COMPANY | 1.5% | A / Aa / AA |
| ABS | 2.8% | |
| AMERICAN EXPRESS CO | 0.8% | AAA / NR / AAA |
| BANK OF AMERICA CO | 0.4% | NR / Aaa / AAA |
| CHASE ISSURANCE | 0.8% | AAA / NR / AAA |
| CITIGROUP INC | 0.2% | AAA / Aaa / AAA |
| HYUNDAI AUTO RECEIVABLES | 0.3% | AAA / NR / AAA |

| Security Type / Issuer | Market Value (%) | S&P / Moody's / Fitch |
|------------------------|------------------|-----------------------|
| ABS | 2.8% | |
| TOYOTA MOTOR CORP | 0.2% | AAA / NR / AAA |
| Total | 100.0% | |

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

For the Quarter Ended December 31, 2023

ZONE 7 WATER AGENCY

Portfolio Composition

**Issuer Distribution
As of December 31, 2023**

| Issuer | Market Value (\$) | % of Portfolio |
|--------------------------|--------------------|----------------|
| UNITED STATES TREASURY | 88,195,591 | 67.51% |
| FREDDIE MAC | 14,206,272 | 10.87% |
| JP MORGAN CHASE & CO | 2,739,010 | 2.10% |
| BANK OF AMERICA CO | 2,493,552 | 1.91% |
| CITIGROUP INC | 2,353,750 | 1.80% |
| APPLE INC | 2,295,745 | 1.76% |
| MICROSOFT CORP | 2,021,276 | 1.55% |
| WELLS FARGO & COMPANY | 1,977,285 | 1.51% |
| AMAZON.COM INC | 1,947,058 | 1.49% |
| FANNIE MAE | 1,365,330 | 1.05% |
| RABOBANK NEDERLAND | 1,324,071 | 1.01% |
| HOME DEPOT INC | 1,321,572 | 1.01% |
| TARGET CORP | 1,283,125 | 0.98% |
| WAL-MART STORES INC | 1,280,642 | 0.98% |
| TOYOTA MOTOR CORP | 1,261,191 | 0.97% |
| AMERICAN EXPRESS CO | 1,088,388 | 0.83% |
| CHASE ISSURANCE | 1,061,103 | 0.81% |
| DEERE & COMPANY | 1,020,249 | 0.78% |
| PACCAR FINANCIAL CORP | 1,001,940 | 0.77% |
| HYUNDAI AUTO RECEIVABLES | 402,281 | 0.31% |
| Grand Total | 130,639,433 | 100.00% |

For the Quarter Ended December 31, 2023

ZONE 7 WATER AGENCY

Portfolio Holdings

Managed Account Detail of Securities Held

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|---|-----------|--------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| U.S. Treasury | | | | | | | | | | | |
| US TREASURY NOTES DTD 01/31/2022 0.875% 01/31/2024 | 91282CDV0 | 260,000.00 | AA+ | Aaa | 2/7/2022 | 2/8/2022 | 257,836.72 | 1.30 | 952.04 | 259,910.11 | 259,065.61 |
| US TREASURY NOTES DTD 03/31/2022 2.250% 03/31/2024 | 91282CEG2 | 960,000.00 | AA+ | Aaa | 4/1/2022 | 4/4/2022 | 956,512.50 | 2.44 | 5,488.52 | 959,568.26 | 952,800.00 |
| US TREASURY NOTES DTD 06/15/2021 0.250% 06/15/2024 | 91282CCG4 | 1,550,000.00 | AA+ | Aaa | 4/13/2022 | 4/18/2022 | 1,479,947.27 | 2.41 | 179.99 | 1,535,261.40 | 1,515,609.38 |
| US TREASURY NOTES DTD 07/15/2021 0.375% 07/15/2024 | 91282CCL3 | 3,075,000.00 | AA+ | Aaa | 2/7/2022 | 2/8/2022 | 2,997,884.77 | 1.43 | 5,326.94 | 3,057,979.07 | 2,998,125.00 |
| US TREASURY NOTES DTD 01/15/2022 1.125% 01/15/2025 | 91282CDS7 | 3,030,000.00 | AA+ | Aaa | 2/7/2022 | 2/8/2022 | 2,994,492.19 | 1.54 | 15,746.94 | 3,017,413.28 | 2,919,215.63 |
| US TREASURY NOTES DTD 02/15/2022 1.500% 02/15/2025 | 91282CDZ1 | 5,100,000.00 | AA+ | Aaa | 5/4/2022 | 5/5/2022 | 4,896,398.44 | 3.01 | 28,895.38 | 5,017,718.54 | 4,921,500.00 |
| US TREASURY NOTES DTD 03/31/2020 0.500% 03/31/2025 | 912828ZF0 | 3,200,000.00 | AA+ | Aaa | 4/1/2022 | 4/4/2022 | 3,005,750.00 | 2.62 | 4,065.57 | 3,119,062.50 | 3,042,000.00 |
| US TREASURY NOTES DTD 04/30/2018 2.875% 04/30/2025 | 9128284M9 | 3,125,000.00 | AA+ | Aaa | 5/3/2022 | 5/4/2022 | 3,120,361.33 | 2.93 | 15,303.06 | 3,122,939.78 | 3,056,152.50 |
| US TREASURY NOTES DTD 07/31/2020 0.250% 07/31/2025 | 91282CAB7 | 3,145,000.00 | AA+ | Aaa | 2/7/2022 | 2/8/2022 | 2,998,560.94 | 1.63 | 3,290.29 | 3,078,415.81 | 2,944,997.50 |
| US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025 | 91282CAJ0 | 1,075,000.00 | AA+ | Aaa | 7/6/2022 | 7/7/2022 | 990,175.78 | 2.89 | 908.14 | 1,030,192.77 | 1,003,781.25 |
| US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025 | 91282CAJ0 | 1,685,000.00 | AA+ | Aaa | 3/8/2022 | 3/9/2022 | 1,596,603.32 | 1.81 | 1,423.45 | 1,642,714.26 | 1,573,368.75 |
| US TREASURY NOTES DTD 09/30/2020 0.250% 09/30/2025 | 91282CAM3 | 2,235,000.00 | AA+ | Aaa | 5/3/2022 | 5/4/2022 | 2,039,612.11 | 2.97 | 1,419.77 | 2,134,873.52 | 2,081,343.75 |
| US TREASURY NOTES DTD 11/30/2020 0.375% 11/30/2025 | 91282CAZ4 | 1,600,000.00 | AA+ | Aaa | 4/13/2022 | 4/18/2022 | 1,477,187.50 | 2.61 | 524.59 | 1,535,063.59 | 1,485,750.08 |
| US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026 | 91282CBH3 | 3,160,000.00 | AA+ | Aaa | 2/7/2022 | 2/8/2022 | 2,998,420.31 | 1.71 | 4,958.97 | 3,075,373.61 | 2,919,050.00 |
| US TREASURY NOTES DTD 03/31/2021 0.750% 03/31/2026 | 91282CBT7 | 3,405,000.00 | AA+ | Aaa | 5/3/2022 | 5/4/2022 | 3,126,614.65 | 2.98 | 6,489.04 | 3,245,030.84 | 3,160,265.62 |

For the Quarter Ended December 31, 2023

ZONE 7 WATER AGENCY

Portfolio Holdings

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|---|-----------|----------------------|---------------|-------------------|---------------|----------------|----------------------|----------------|---------------------|----------------------|----------------------|
| U.S. Treasury | | | | | | | | | | | |
| US TREASURY NOTES DTD 03/31/2021 0.750% 03/31/2026 | 91282CBT7 | 3,225,000.00 | AA+ | Aaa | 4/1/2022 | 4/4/2022 | 2,995,848.63 | 2.64 | 6,146.00 | 3,096,033.55 | 2,993,203.13 |
| US TREASURY NOTES DTD 04/30/2021 0.750% 04/30/2026 | 91282CBW0 | 1,225,000.00 | AA+ | Aaa | 2/17/2022 | 2/18/2022 | 1,170,162.11 | 1.86 | 1,564.90 | 1,194,574.28 | 1,133,316.35 |
| US TREASURY NOTES DTD 05/31/2021 0.750% 05/31/2026 | 91282CCF6 | 6,760,000.00 | AA+ | Aaa | 6/6/2022 | 6/8/2022 | 6,195,434.38 | 2.99 | 4,432.79 | 6,417,685.95 | 6,240,325.00 |
| US TREASURY NOTES DTD 05/31/2021 0.750% 05/31/2026 | 91282CCF6 | 1,665,000.00 | AA+ | Aaa | 3/8/2022 | 3/9/2022 | 1,592,546.48 | 1.82 | 1,091.80 | 1,623,658.32 | 1,537,003.13 |
| US TREASURY NOTES DTD 09/30/2021 0.875% 09/30/2026 | 91282CCZ2 | 3,420,000.00 | AA+ | Aaa | 5/3/2022 | 5/4/2022 | 3,122,353.13 | 3.00 | 7,603.89 | 3,234,571.55 | 3,142,125.00 |
| US TREASURY NOTES DTD 11/15/2016 2.000% 11/15/2026 | 912828U24 | 6,450,000.00 | AA+ | Aaa | 6/6/2022 | 6/8/2022 | 6,181,669.92 | 3.01 | 16,656.59 | 6,276,355.18 | 6,099,281.25 |
| US TREASURY NOTES DTD 02/15/2017 2.250% 02/15/2027 | 912828V98 | 5,300,000.00 | AA+ | Aaa | 7/5/2022 | 7/7/2022 | 5,162,945.31 | 2.85 | 45,042.80 | 5,207,138.12 | 5,031,687.50 |
| US TREASURY NOTES DTD 04/30/2020 0.500% 04/30/2027 | 912828ZN3 | 5,775,000.00 | AA+ | Aaa | 8/3/2022 | 8/5/2022 | 5,161,406.25 | 2.92 | 4,918.27 | 5,343,816.42 | 5,156,894.82 |
| US TREASURY NOTES DTD 05/15/2017 2.375% 05/15/2027 | 912828X88 | 6,220,000.00 | AA+ | Aaa | 6/10/2022 | 6/13/2022 | 5,966,826.56 | 3.28 | 19,074.38 | 6,046,709.33 | 5,908,028.44 |
| US TREASURY NOTES DTD 06/30/2020 0.500% 06/30/2027 | 912828ZV5 | 2,750,000.00 | AA+ | Aaa | 8/9/2022 | 8/10/2022 | 2,440,410.16 | 2.99 | 37.77 | 2,528,690.96 | 2,442,773.30 |
| US TREASURY NOTES DTD 08/15/2017 2.250% 08/15/2027 | 9128282R0 | 2,570,000.00 | AA+ | Aaa | 9/1/2022 | 9/6/2022 | 2,436,580.86 | 3.40 | 21,841.51 | 2,472,228.32 | 2,423,831.25 |
| US TREASURY NOTES DTD 09/30/2022 4.125% 09/30/2027 | 91282CFM8 | 1,940,000.00 | AA+ | Aaa | 11/1/2022 | 11/3/2022 | 1,927,344.53 | 4.27 | 20,334.22 | 1,930,338.90 | 1,953,337.50 |
| US TREASURY NOTES DTD 10/31/2022 4.125% 10/31/2027 | 91282CFU0 | 5,890,000.00 | AA+ | Aaa | 12/13/2022 | 12/14/2022 | 6,019,303.91 | 3.63 | 41,383.72 | 5,991,513.00 | 5,929,573.73 |
| US TREASURY NOTES DTD 11/15/1997 6.125% 11/15/2027 | 912810FB9 | 1,560,000.00 | AA+ | Aaa | 1/26/2023 | 1/30/2023 | 1,730,685.94 | 3.62 | 12,337.50 | 1,697,914.24 | 1,678,462.50 |
| US TREASURY NOTES DTD 03/31/2023 3.625% 03/31/2028 | 91282CGT2 | 850,000.00 | AA+ | Aaa | 5/31/2023 | 5/31/2023 | 842,263.67 | 3.83 | 7,829.41 | 843,205.52 | 840,968.75 |
| US TREASURY NOTES DTD 04/30/2023 3.500% 04/30/2028 | 91282CHA2 | 865,000.00 | AA+ | Aaa | 5/1/2023 | 5/1/2023 | 860,877.73 | 3.61 | 5,156.73 | 861,430.83 | 851,754.69 |
| Security Type Sub-Total | | 93,070,000.00 | | | | | 88,743,017.40 | 2.81 | 310,424.97 | 90,597,381.81 | 88,195,591.41 |

For the Quarter Ended December 31, 2023

ZONE 7 WATER AGENCY

Portfolio Holdings

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|--|-----------|---------------------|---------------|-------------------|---------------|----------------|---------------------|----------------|---------------------|---------------------|---------------------|
| Negotiable CD | | | | | | | | | | | |
| COOPERAT RABOBANK UA/NY CERT DEPOS DTD 07/20/2023 5.080% 07/17/2026 | 21684LGS5 | 1,350,000.00 | A+ | Aa2 | 7/17/2023 | 7/20/2023 | 1,350,000.00 | 5.08 | 30,670.50 | 1,350,000.00 | 1,324,070.55 |
| Security Type Sub-Total | | 1,350,000.00 | | | | | 1,350,000.00 | 5.08 | 30,670.50 | 1,350,000.00 | 1,324,070.55 |
| Corporate | | | | | | | | | | | |
| JPMORGAN CHASE & CO CORP NOTES DTD 01/28/2014 3.875% 02/01/2024 | 46625HJT8 | 720,000.00 | A- | A1 | 5/20/2021 | 5/24/2021 | 785,318.40 | 0.47 | 11,625.00 | 722,059.89 | 718,814.16 |
| AMAZON.COM INC CORPORATE NOTES DTD 04/13/2022 3.000% 04/13/2025 | 023135CE4 | 1,990,000.00 | AA | A1 | 4/11/2022 | 4/13/2022 | 1,986,835.90 | 3.06 | 12,935.00 | 1,988,648.91 | 1,947,057.79 |
| WALMART INC CORP NOTES (CALLABLE) DTD 06/27/2018 3.550% 06/26/2025 | 931142ED1 | 1,300,000.00 | AA | Aa2 | 2/7/2022 | 2/9/2022 | 1,372,527.00 | 1.84 | 640.97 | 1,329,765.77 | 1,280,641.70 |
| WELLS FARGO BANK NA BANK NOTES (CALLABLE) DTD 08/09/2023 5.450% 08/07/2026 | 94988J6D4 | 1,945,000.00 | A+ | Aa2 | 8/18/2023 | 8/22/2023 | 1,942,335.35 | 5.50 | 41,812.10 | 1,942,660.73 | 1,977,285.06 |
| JP MORGAN CORP NOTES (CALLABLE) DTD 12/08/2023 5.110% 12/08/2026 | 48125LRU8 | 2,000,000.00 | A+ | Aa2 | 12/5/2023 | 12/8/2023 | 2,000,000.00 | 5.11 | 6,529.44 | 2,000,000.00 | 2,020,196.00 |
| TARGET CORP CORP NOTES (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027 | 87612EBM7 | 1,375,000.00 | A | A2 | 2/7/2022 | 2/9/2022 | 1,366,915.00 | 2.08 | 12,363.54 | 1,370,017.02 | 1,283,125.25 |
| MICROSOFT CORP CORP NOTES (CALLABLE) DTD 02/06/2017 3.300% 02/06/2027 | 594918BY9 | 2,075,000.00 | AAA | Aaa | 12/14/2022 | 12/16/2022 | 2,015,634.25 | 4.06 | 27,580.21 | 2,030,583.59 | 2,021,276.18 |
| BANK OF AMERICA CORP CORP NOTES (CALLABL DTD 03/11/2021 1.658% 03/11/2027 | 06051GJQ3 | 2,170,000.00 | A- | A1 | 4/13/2022 | 4/18/2022 | 2,000,761.70 | 3.40 | 10,993.46 | 2,059,730.08 | 2,008,586.72 |
| HOME DEPOT INC CORP NOTES (CALLABLE) DTD 09/14/2017 2.800% 09/14/2027 | 437076BT8 | 1,390,000.00 | A | A2 | 1/26/2023 | 1/30/2023 | 1,311,326.00 | 4.16 | 11,567.89 | 1,326,986.23 | 1,321,571.69 |

For the Quarter Ended December 31, 2023

ZONE 7 WATER AGENCY

Portfolio Holdings

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|---|-----------|----------------------|---------------|-------------------|---------------|----------------|----------------------|----------------|---------------------|----------------------|----------------------|
| Corporate | | | | | | | | | | | |
| TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 01/12/2023 4.625% 01/12/2028 | 89236TKQ7 | 980,000.00 | A+ | A1 | 8/14/2023 | 8/16/2023 | 967,946.00 | 4.94 | 21,277.57 | 968,979.20 | 991,055.38 |
| APPLE INC CORP NOTES CALLABLE DTD 05/10/2023 4.000% 05/10/2028 | 037833ET3 | 2,300,000.00 | AA+ | Aaa | 5/10/2023 | 5/11/2023 | 2,302,001.00 | 3.98 | 13,033.33 | 2,301,739.18 | 2,295,745.00 |
| JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028 | 24422EXB0 | 195,000.00 | A | A2 | 7/13/2023 | 7/14/2023 | 197,652.00 | 4.64 | 4,477.69 | 197,403.78 | 199,948.32 |
| JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028 | 24422EXB0 | 345,000.00 | A | A2 | 7/14/2023 | 7/18/2023 | 348,381.00 | 4.73 | 7,922.06 | 348,071.28 | 353,754.72 |
| JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028 | 24422EXB0 | 455,000.00 | A | A2 | 7/11/2023 | 7/14/2023 | 454,322.05 | 4.98 | 10,447.94 | 454,385.50 | 466,546.08 |
| PACCAR FINANCIAL CORP CORPORATE NOTES DTD 08/10/2023 4.950% 08/10/2028 | 69371RS64 | 975,000.00 | A+ | A1 | 8/17/2023 | 8/21/2023 | 970,407.75 | 5.06 | 18,902.81 | 970,744.08 | 1,001,940.23 |
| CITIBANK NA CORP NOTES (CALLABLE) DTD 09/29/2023 5.803% 09/29/2028 | 17325FBB3 | 1,975,000.00 | A+ | Aa3 | 9/26/2023 | 9/29/2023 | 1,975,000.00 | 5.80 | 29,289.03 | 1,975,000.00 | 2,056,166.58 |
| Security Type Sub-Total | | 22,190,000.00 | | | | | 21,997,363.40 | 4.06 | 241,398.04 | 21,986,775.24 | 21,943,710.86 |
| Agency CMBS | | | | | | | | | | | |
| FHMS K061 A2 DTD 01/30/2017 3.347% 11/01/2026 | 3137BTUM1 | 963,557.64 | AA+ | Aaa | 5/19/2023 | 5/24/2023 | 933,898.13 | 4.31 | 2,687.52 | 939,136.33 | 935,474.63 |
| FHMS K064 A2 DTD 05/15/2017 3.224% 03/01/2027 | 3137BXQY1 | 1,320,000.00 | AA+ | Aaa | 8/16/2023 | 8/18/2023 | 1,245,131.25 | 4.98 | 3,546.40 | 1,253,018.28 | 1,275,206.57 |
| FHLMC MULTIFAMILY STRUCTURED P DTD 08/01/2017 3.117% 06/01/2027 | 3137F2LJ3 | 1,165,000.00 | AA+ | Aaa | 8/17/2023 | 8/22/2023 | 1,089,457.03 | 5.01 | 3,026.09 | 1,096,688.12 | 1,119,090.16 |
| FHMS K506 A1 DTD 09/01/2023 4.650% 05/01/2028 | 3137HAMG8 | 648,390.66 | AA+ | Aaa | 9/7/2023 | 9/14/2023 | 638,693.99 | 5.01 | 2,512.51 | 639,251.21 | 654,050.21 |
| FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028 | 3137HAD45 | 1,082,077.87 | AA+ | Aaa | 7/19/2023 | 7/27/2023 | 1,082,050.82 | 4.78 | 4,307.57 | 1,082,053.23 | 1,086,806.37 |

For the Quarter Ended December 31, 2023

ZONE 7 WATER AGENCY

Portfolio Holdings

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|---|-----------|----------------------|---------------|-------------------|---------------|----------------|----------------------|----------------|---------------------|----------------------|----------------------|
| Agency CMBS | | | | | | | | | | | |
| FHMS K505 A2 DTD 07/01/2023 4.819% 06/01/2028 | 3137HACX2 | 1,350,000.00 | AA+ | Aaa | 7/13/2023 | 7/20/2023 | 1,363,483.80 | 4.59 | 5,421.38 | 1,362,232.49 | 1,372,138.60 |
| FNA 2023-M6 A2 DTD 07/01/2023 4.190% 07/01/2028 | 3136BQDE6 | 1,375,000.00 | AA+ | Aaa | 7/18/2023 | 7/31/2023 | 1,351,689.45 | 4.58 | 4,801.04 | 1,353,687.13 | 1,365,330.35 |
| FHMS K508 A2 DTD 10/01/2023 4.740% 08/01/2028 | 3137HAQ74 | 1,325,000.00 | AA+ | Aaa | 10/11/2023 | 10/19/2023 | 1,295,934.80 | 5.26 | 5,233.75 | 1,297,017.84 | 1,345,017.76 |
| FHMS KJ47 A1 DTD 09/01/2023 5.272% 08/01/2028 | 3137HAMN3 | 732,206.88 | AA+ | Aaa | 9/19/2023 | 9/28/2023 | 732,203.22 | 5.27 | 3,216.83 | 732,203.40 | 750,024.22 |
| FHMS K506 A2 DTD 09/01/2023 4.650% 08/01/2028 | 3137HAMH6 | 1,300,000.00 | AA+ | Aaa | 9/7/2023 | 9/14/2023 | 1,280,769.10 | 4.99 | 5,037.50 | 1,281,811.33 | 1,315,028.70 |
| FHMS K507 A2 DTD 09/01/2023 4.800% 09/01/2028 | 3137HAMS2 | 1,300,000.00 | AA+ | Aaa | 9/20/2023 | 9/28/2023 | 1,284,461.10 | 5.07 | 5,200.00 | 1,285,183.46 | 1,323,883.54 |
| FHMS K509 A2 DTD 10/01/2023 4.850% 09/01/2028 | 3137HAST4 | 1,015,000.00 | AA+ | Aaa | 10/25/2023 | 10/31/2023 | 982,638.76 | 5.60 | 4,102.29 | 983,630.41 | 1,035,370.82 |
| FHMS K510 A2 DTD 11/01/2023 5.069% 10/01/2028 | 3137HB3D4 | 515,000.00 | AA+ | Aaa | 11/14/2023 | 11/21/2023 | 513,511.14 | 5.14 | 2,175.45 | 513,541.19 | 529,583.69 |
| FHMS K511 A2 DTD 12/01/2023 4.860% 10/01/2028 | 3137HB3G7 | 750,000.00 | AA+ | Aaa | 11/28/2023 | 12/7/2023 | 747,845.25 | 4.93 | 3,037.50 | 747,871.94 | 765,889.91 |
| FHMS K512 A2 DTD 12/01/2023 5.000% 11/01/2028 | 3137HBCF9 | 680,000.00 | AA+ | Aaa | 12/11/2023 | 12/21/2023 | 686,349.84 | 4.78 | 2,833.33 | 686,315.51 | 698,707.29 |
| Security Type Sub-Total | | 15,521,233.05 | | | | | 15,228,117.68 | 4.94 | 57,139.16 | 15,253,641.87 | 15,571,602.82 |
| ABS | | | | | | | | | | | |
| CCCIT 2023-A1 A1 DTD 12/01/2023 5.230% 12/01/2027 | 17305EGW9 | 295,000.00 | AAA | Aaa | 12/4/2023 | 12/11/2023 | 294,963.01 | 5.23 | 1,285.71 | 294,963.49 | 297,583.70 |
| TAOT 2023-D A3 DTD 11/14/2023 5.540% 08/15/2028 | 89239FAD4 | 265,000.00 | AAA | NR | 11/7/2023 | 11/14/2023 | 264,971.43 | 5.54 | 652.49 | 264,972.12 | 270,135.25 |
| AMXCA 2023-3 A DTD 09/19/2023 5.230% 09/15/2028 | 02582JKD1 | 1,070,000.00 | AAA | NR | 9/12/2023 | 9/19/2023 | 1,069,952.17 | 5.23 | 2,487.16 | 1,069,954.58 | 1,088,388.27 |
| CHAIT 2023-A1 A DTD 09/15/2023 5.160% 09/15/2028 | 161571HT4 | 1,045,000.00 | AAA | NR | 9/7/2023 | 9/15/2023 | 1,044,710.33 | 5.17 | 2,396.53 | 1,044,725.46 | 1,061,103.45 |
| HART 2023-C A3 DTD 11/13/2023 5.540% 10/16/2028 | 44918CAD4 | 395,000.00 | AAA | NR | 11/3/2023 | 11/13/2023 | 394,948.06 | 5.54 | 972.58 | 394,949.30 | 402,281.47 |

For the Quarter Ended December 31, 2023

ZONE 7 WATER AGENCY

Portfolio Holdings

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|---|-----------|------------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|------------------|
| ABS | | | | | | | | | | | |
| BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028 | 05522RDH8 | 480,000.00 | NR | Aaa | 12/7/2023 | 12/14/2023 | 479,935.54 | 4.98 | 1,128.80 | 479,936.10 | 484,965.31 |
| Security Type Sub-Total | | 3,550,000.00 | | | | | 3,549,480.54 | 5.24 | 8,923.27 | 3,549,501.05 | 3,604,457.45 |
| Managed Account Sub Total | | 135,681,233.05 | | | | | 130,867,979.02 | 3.36 | 648,555.94 | 132,737,299.97 | 130,639,433.09 |
| Securities Sub Total | | \$135,681,233.05 | | | | | \$130,867,979.02 | 3.36% | \$648,555.94 | \$132,737,299.97 | \$130,639,433.09 |
| Accrued Interest | | | | | | | | | | | \$648,555.94 |
| Total Investments | | | | | | | | | | | \$131,287,989.03 |

For the Quarter Ended December 31, 2023

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

| Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amount (\$) | Yield at Market | Realized G/L (BV) |
|------------------|-------------|----------------------|-----------|---------------------------------|--------|---------------|----------------------|-----------------|-------------------|
| BUY | | | | | | | | | |
| 10/11/2023 | 10/19/2023 | 1,325,000.00 | 3137HAQ74 | FHMS K508 A2 | 4.74% | 8/1/2028 | 1,299,075.05 | 5.26% | |
| 10/12/2023 | 10/13/2023 | 1,300,000.00 | 912797FB8 | US TREASURY BILL | 0.00% | 10/19/2023 | 1,298,855.89 | 5.29% | |
| 10/25/2023 | 10/26/2023 | 1,970,000.00 | 912797HN0 | US TREASURY BILL | 0.00% | 12/5/2023 | 1,958,426.25 | 5.32% | |
| 10/25/2023 | 10/31/2023 | 1,015,000.00 | 3137HAST4 | FHMS K509 A2 | 4.85% | 9/1/2028 | 986,741.05 | 5.60% | |
| 11/3/2023 | 11/13/2023 | 395,000.00 | 44918CAD4 | HART 2023-C A3 | 5.54% | 10/16/2028 | 394,948.06 | 5.54% | |
| 11/7/2023 | 11/14/2023 | 265,000.00 | 89239FAD4 | TAOT 2023-D A3 | 5.54% | 8/15/2028 | 264,971.43 | 5.54% | |
| 11/14/2023 | 11/21/2023 | 515,000.00 | 3137HB3D4 | FHMS K510 A2 | 5.06% | 10/1/2028 | 514,961.44 | 5.14% | |
| 11/28/2023 | 12/7/2023 | 750,000.00 | 3137HB3G7 | FHMS K511 A2 | 4.86% | 10/1/2028 | 748,452.75 | 4.93% | |
| 12/4/2023 | 12/5/2023 | 410,000.00 | 912797FV4 | US TREASURY BILL | 0.00% | 12/21/2023 | 409,036.50 | 5.30% | |
| 12/4/2023 | 12/11/2023 | 295,000.00 | 17305EGW9 | CCCIT 2023-A1 A1 | 5.23% | 12/1/2027 | 294,963.01 | 5.23% | |
| 12/5/2023 | 12/8/2023 | 2,000,000.00 | 48125LRU8 | JP MORGAN CORP NOTES (CALLABLE) | 5.11% | 12/8/2026 | 2,000,000.00 | 5.11% | |
| 12/7/2023 | 12/14/2023 | 480,000.00 | 05522RDH8 | BACCT 2023-A2 A2 | 4.98% | 11/15/2028 | 479,935.54 | 4.98% | |
| 12/11/2023 | 12/12/2023 | 688,000.00 | 912797FV4 | US TREASURY BILL | 0.00% | 12/21/2023 | 687,093.56 | 5.28% | |
| 12/11/2023 | 12/21/2023 | 680,000.00 | 3137HBCF9 | FHMS K512 A2 | 5.00% | 11/1/2028 | 688,238.73 | 4.78% | |
| Total BUY | | 12,088,000.00 | | | | | 12,025,699.26 | | 0.00 |
| INTEREST | | | | | | | | | |
| 10/1/2023 | 10/25/2023 | 1,300,000.00 | 3137HAMS2 | FHMS K507 A2 | 4.80% | 9/1/2028 | 5,200.00 | | |

For the Quarter Ended December 31, 2023

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

| Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amount (\$) | Yield at Market | Realized G/L (BV) |
|-----------------|-------------|--------------|-----------|--------------------------------|--------|---------------|----------------------|-----------------|-------------------|
| INTEREST | | | | | | | | | |
| 10/1/2023 | 10/25/2023 | 735,000.00 | 3137HAMN3 | FHMS KJ47 A1 | 5.27% | 8/1/2028 | 3,229.10 | | |
| 10/1/2023 | 10/25/2023 | 1,320,000.00 | 3137BXQY1 | FHMS K064 A2 | 3.22% | 3/1/2027 | 3,546.40 | | |
| 10/1/2023 | 10/25/2023 | 1,350,000.00 | 3137HACX2 | FHMS K505 A2 | 4.81% | 6/1/2028 | 5,421.38 | | |
| 10/1/2023 | 10/25/2023 | 1,300,000.00 | 3137HAMH6 | FHMS K506 A2 | 4.65% | 8/1/2028 | 5,037.50 | | |
| 10/1/2023 | 10/25/2023 | 1,165,000.00 | 3137F2LJ3 | FHLMC MULTIFAMILY STRUCTURED P | 3.11% | 6/1/2027 | 3,026.09 | | |
| 10/1/2023 | 10/25/2023 | 1,083,950.99 | 3137HAD45 | FHMS KJ46 A1 | 4.77% | 6/1/2028 | 4,315.03 | | |
| 10/1/2023 | 10/25/2023 | 1,375,000.00 | 3136BQDE6 | FNA 2023-M6 A2 | 4.19% | 7/1/2028 | 4,801.04 | | |
| 10/1/2023 | 10/25/2023 | 965,000.00 | 3137BTUM1 | FHMS K061 A2 | 3.34% | 11/1/2026 | 2,691.55 | | |
| 10/1/2023 | 10/25/2023 | 650,000.00 | 3137HAMG8 | FHMS K506 A1 | 4.65% | 5/1/2028 | 2,518.75 | | |
| 10/2/2023 | 10/2/2023 | | MONEY0002 | MONEY MARKET FUND | | | 22,152.89 | | |
| 10/13/2023 | 10/13/2023 | 1,990,000.00 | 023135CE4 | AMAZON.COM INC CORPORATE NOTES | 3.00% | 4/13/2025 | 29,850.00 | | |
| 10/15/2023 | 10/15/2023 | 1,070,000.00 | 02582JKD1 | AMXCA 2023-3 A | 5.23% | 9/15/2028 | 4,041.63 | | |
| 10/15/2023 | 10/15/2023 | 1,045,000.00 | 161571HT4 | CHAIT 2023-A1 A | 5.16% | 9/15/2028 | 4,493.50 | | |
| 10/31/2023 | 10/31/2023 | 5,775,000.00 | 912828ZN3 | US TREASURY NOTES | 0.50% | 4/30/2027 | 14,437.50 | | |
| 10/31/2023 | 10/31/2023 | 1,225,000.00 | 91282CBW0 | US TREASURY NOTES | 0.75% | 4/30/2026 | 4,593.75 | | |
| 10/31/2023 | 10/31/2023 | 5,890,000.00 | 91282CFU0 | US TREASURY NOTES | 4.12% | 10/31/2027 | 121,481.25 | | |
| 10/31/2023 | 10/31/2023 | 865,000.00 | 91282CHA2 | US TREASURY NOTES | 3.50% | 4/30/2028 | 15,137.50 | | |

For the Quarter Ended December 31, 2023

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

| Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amount (\$) | Yield at Market | Realized G/L (BV) |
|-----------------|-------------|--------------|-----------|--------------------------------|--------|---------------|----------------------|-----------------|-------------------|
| INTEREST | | | | | | | | | |
| 10/31/2023 | 10/31/2023 | 3,125,000.00 | 9128284M9 | US TREASURY NOTES | 2.87% | 4/30/2025 | 44,921.88 | | |
| 11/1/2023 | 11/1/2023 | | MONEY0002 | MONEY MARKET FUND | | | 29,311.99 | | |
| 11/1/2023 | 11/25/2023 | 1,015,000.00 | 3137HAST4 | FHMS K509 A2 | 4.85% | 9/1/2028 | 4,102.29 | | |
| 11/1/2023 | 11/25/2023 | 965,000.00 | 3137BTUM1 | FHMS K061 A2 | 3.34% | 11/1/2026 | 2,691.55 | | |
| 11/1/2023 | 11/25/2023 | 1,325,000.00 | 3137HAQ74 | FHMS K508 A2 | 4.74% | 8/1/2028 | 5,233.75 | | |
| 11/1/2023 | 11/25/2023 | 734,002.13 | 3137HAMN3 | FHMS KJ47 A1 | 5.27% | 8/1/2028 | 3,224.72 | | |
| 11/1/2023 | 11/25/2023 | 1,300,000.00 | 3137HAMH6 | FHMS K506 A2 | 4.65% | 8/1/2028 | 5,037.50 | | |
| 11/1/2023 | 11/25/2023 | 1,375,000.00 | 3136BQDE6 | FNA 2023-M6 A2 | 4.19% | 7/1/2028 | 4,801.04 | | |
| 11/1/2023 | 11/25/2023 | 1,320,000.00 | 3137BXQY1 | FHMS K064 A2 | 3.22% | 3/1/2027 | 3,546.40 | | |
| 11/1/2023 | 11/25/2023 | 1,300,000.00 | 3137HAMS2 | FHMS K507 A2 | 4.80% | 9/1/2028 | 5,200.00 | | |
| 11/1/2023 | 11/25/2023 | 1,350,000.00 | 3137HACX2 | FHMS K505 A2 | 4.81% | 6/1/2028 | 5,421.38 | | |
| 11/1/2023 | 11/25/2023 | 649,440.61 | 3137HAMG8 | FHMS K506 A1 | 4.65% | 5/1/2028 | 2,516.58 | | |
| 11/1/2023 | 11/25/2023 | 1,165,000.00 | 3137F2LJ3 | FHLMC MULTIFAMILY STRUCTURED P | 3.11% | 6/1/2027 | 3,026.09 | | |
| 11/1/2023 | 11/25/2023 | 1,083,304.40 | 3137HAD45 | FHMS KJ46 A1 | 4.77% | 6/1/2028 | 4,312.45 | | |
| 11/10/2023 | 11/10/2023 | 2,300,000.00 | 037833ET3 | APPLE INC CORP NOTES CALLABLE | 4.00% | 5/10/2028 | 46,000.00 | | |
| 11/15/2023 | 11/15/2023 | 6,450,000.00 | 912828U24 | US TREASURY NOTES | 2.00% | 11/15/2026 | 64,500.00 | | |
| 11/15/2023 | 11/15/2023 | 1,560,000.00 | 912810FB9 | US TREASURY NOTES | 6.12% | 11/15/2027 | 47,775.00 | | |

For the Quarter Ended December 31, 2023

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

| Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amount (\$) | Yield at Market | Realized G/L (BV) |
|-----------------|-------------|--------------|-----------|--------------------------------|--------|---------------|----------------------|-----------------|-------------------|
| INTEREST | | | | | | | | | |
| 11/15/2023 | 11/15/2023 | 1,070,000.00 | 02582JKD1 | AMXCA 2023-3 A | 5.23% | 9/15/2028 | 4,663.42 | | |
| 11/15/2023 | 11/15/2023 | 1,045,000.00 | 161571HT4 | CHAIT 2023-A1 A | 5.16% | 9/15/2028 | 4,493.50 | | |
| 11/15/2023 | 11/15/2023 | 6,220,000.00 | 912828X88 | US TREASURY NOTES | 2.37% | 5/15/2027 | 73,862.50 | | |
| 11/30/2023 | 11/30/2023 | 8,425,000.00 | 91282CCF6 | US TREASURY NOTES | 0.75% | 5/31/2026 | 31,593.75 | | |
| 11/30/2023 | 11/30/2023 | 1,600,000.00 | 91282CAZ4 | US TREASURY NOTES | 0.37% | 11/30/2025 | 3,000.00 | | |
| 12/1/2023 | 12/1/2023 | | MONEY0002 | MONEY MARKET FUND | | | 22,269.66 | | |
| 12/1/2023 | 12/25/2023 | 1,165,000.00 | 3137F2LJ3 | FHLMC MULTIFAMILY STRUCTURED P | 3.11% | 6/1/2027 | 3,026.09 | | |
| 12/1/2023 | 12/25/2023 | 1,320,000.00 | 3137BXQY1 | FHMS K064 A2 | 3.22% | 3/1/2027 | 3,546.40 | | |
| 12/1/2023 | 12/25/2023 | 515,000.00 | 3137HB3D4 | FHMS K510 A2 | 5.06% | 10/1/2028 | 2,175.45 | | |
| 12/1/2023 | 12/25/2023 | 1,015,000.00 | 3137HAST4 | FHMS K509 A2 | 4.85% | 9/1/2028 | 4,102.29 | | |
| 12/1/2023 | 12/25/2023 | 1,325,000.00 | 3137HAQ74 | FHMS K508 A2 | 4.74% | 8/1/2028 | 5,233.75 | | |
| 12/1/2023 | 12/25/2023 | 965,000.00 | 3137BTUM1 | FHMS K061 A2 | 3.34% | 11/1/2026 | 2,691.55 | | |
| 12/1/2023 | 12/25/2023 | 1,375,000.00 | 3136BQDE6 | FNA 2023-M6 A2 | 4.19% | 7/1/2028 | 4,801.04 | | |
| 12/1/2023 | 12/25/2023 | 1,082,753.89 | 3137HAD45 | FHMS KJ46 A1 | 4.77% | 6/1/2028 | 4,310.26 | | |
| 12/1/2023 | 12/25/2023 | 648,954.79 | 3137HAMG8 | FHMS K506 A1 | 4.65% | 5/1/2028 | 2,514.70 | | |
| 12/1/2023 | 12/25/2023 | 1,300,000.00 | 3137HAMH6 | FHMS K506 A2 | 4.65% | 8/1/2028 | 5,037.50 | | |
| 12/1/2023 | 12/25/2023 | 1,300,000.00 | 3137HAMS2 | FHMS K507 A2 | 4.80% | 9/1/2028 | 5,200.00 | | |

For the Quarter Ended December 31, 2023

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

| Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amount (\$) | Yield at Market | Realized G/L (BV) |
|-----------------------|-------------|----------------------|-----------|-----------------------------------|--------|---------------|----------------------|-----------------|-------------------|
| INTEREST | | | | | | | | | |
| 12/1/2023 | 12/25/2023 | 1,350,000.00 | 3137HACX2 | FHMS K505 A2 | 4.81% | 6/1/2028 | 5,421.38 | | |
| 12/1/2023 | 12/25/2023 | 733,214.79 | 3137HAMN3 | FHMS KJ47 A1 | 5.27% | 8/1/2028 | 3,221.26 | | |
| 12/15/2023 | 12/15/2023 | 1,550,000.00 | 91282CCG4 | US TREASURY NOTES | 0.25% | 6/15/2024 | 1,937.50 | | |
| 12/15/2023 | 12/15/2023 | 1,045,000.00 | 161571HT4 | CHAIT 2023-A1 A | 5.16% | 9/15/2028 | 4,493.50 | | |
| 12/15/2023 | 12/15/2023 | 395,000.00 | 44918CAD4 | HART 2023-C A3 | 5.54% | 10/16/2028 | 1,945.15 | | |
| 12/15/2023 | 12/15/2023 | 265,000.00 | 89239FAD4 | TAOT 2023-D A3 | 5.54% | 8/15/2028 | 1,264.20 | | |
| 12/15/2023 | 12/15/2023 | 1,070,000.00 | 02582JKD1 | AMXCA 2023-3 A | 5.23% | 9/15/2028 | 4,663.42 | | |
| 12/26/2023 | 12/26/2023 | 1,300,000.00 | 931142ED1 | WALMART INC CORP NOTES (CALLABLE) | 3.55% | 6/26/2025 | 23,075.00 | | |
| 12/31/2023 | 12/31/2023 | 2,750,000.00 | 912828ZV5 | US TREASURY NOTES | 0.50% | 6/30/2027 | 6,875.00 | | |
| Total INTEREST | | 96,950,621.60 | | | | | 773,015.75 | | 0.00 |
| MATURITY | | | | | | | | | |
| 10/19/2023 | 10/19/2023 | 1,300,000.00 | 912797FB8 | US TREASURY BILL | 0.00% | 10/19/2023 | 1,300,000.00 | | |
| 12/5/2023 | 12/5/2023 | 1,085,000.00 | 912797HN0 | US TREASURY BILL | 0.00% | 12/5/2023 | 1,085,000.00 | | |
| 12/21/2023 | 12/21/2023 | 688,000.00 | 912797FV4 | US TREASURY BILL | 0.00% | 12/21/2023 | 688,000.00 | | |
| Total MATURITY | | 3,073,000.00 | | | | | 3,073,000.00 | | 0.00 |
| PAYDOWNS | | | | | | | | | |
| 10/1/2023 | 10/25/2023 | 997.87 | 3137HAMN3 | FHMS KJ47 A1 | 5.27% | 8/1/2028 | 997.87 | | |

For the Quarter Ended December 31, 2023

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

| Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amount (\$) | Yield at Market | Realized G/L (BV) |
|-----------------------|-------------|-----------------|-----------|--------------------------------|--------|---------------|----------------------|-----------------|-------------------|
| PAYDOWNS | | | | | | | | | |
| 10/1/2023 | 10/25/2023 | 646.59 | 3137HAD45 | FHMS KJ46 A1 | 4.77% | 6/1/2028 | 646.59 | | |
| 10/1/2023 | 10/25/2023 | 559.39 | 3137HAMG8 | FHMS K506 A1 | 4.65% | 5/1/2028 | 559.39 | | |
| 11/1/2023 | 11/25/2023 | 485.82 | 3137HAMG8 | FHMS K506 A1 | 4.65% | 5/1/2028 | 485.82 | | |
| 11/1/2023 | 11/25/2023 | 550.51 | 3137HAD45 | FHMS KJ46 A1 | 4.77% | 6/1/2028 | 550.51 | | |
| 11/1/2023 | 11/25/2023 | 787.34 | 3137HAMN3 | FHMS KJ47 A1 | 5.27% | 8/1/2028 | 787.34 | | |
| 12/1/2023 | 12/25/2023 | 1,007.91 | 3137HAMN3 | FHMS KJ47 A1 | 5.27% | 8/1/2028 | 1,007.91 | | |
| 12/1/2023 | 12/25/2023 | 564.13 | 3137HAMG8 | FHMS K506 A1 | 4.65% | 5/1/2028 | 564.13 | | |
| 12/1/2023 | 12/25/2023 | 1,442.36 | 3137BTUM1 | FHMS K061 A2 | 3.34% | 11/1/2026 | 1,442.36 | | |
| 12/1/2023 | 12/25/2023 | 676.02 | 3137HAD45 | FHMS KJ46 A1 | 4.77% | 6/1/2028 | 676.02 | | |
| Total PAYDOWNS | | 7,717.94 | | | | | 7,717.94 | | 0.00 |
| SELL | | | | | | | | | |
| 10/11/2023 | 10/13/2023 | 1,135,000.00 | 91282CHA2 | US TREASURY NOTES | 3.50% | 4/30/2028 | 1,101,578.41 | | -46,420.80 |
| 11/3/2023 | 11/6/2023 | 395,000.00 | 912797HN0 | US TREASURY BILL | 0.00% | 12/5/2023 | 393,324.23 | | 6.68 |
| 11/8/2023 | 11/13/2023 | 170,000.00 | 912797HN0 | US TREASURY BILL | 0.00% | 12/5/2023 | 169,451.73 | | 1.04 |
| 11/17/2023 | 11/21/2023 | 320,000.00 | 912797HN0 | US TREASURY BILL | 0.00% | 12/5/2023 | 319,343.93 | | 1.93 |
| 12/5/2023 | 12/8/2023 | 1,980,000.00 | 46625HJT8 | JPMORGAN CHASE & CO CORP NOTES | 3.87% | 2/1/2024 | 2,001,324.88 | | -15,792.26 |
| 12/7/2023 | 12/11/2023 | 370,000.00 | 91282CDV0 | US TREASURY NOTES | 0.87% | 1/31/2024 | 368,843.12 | | -2,109.49 |

Quarterly Portfolio Transactions

| Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amount (\$) | Yield at Market | Realized G/L (BV) |
|------------|-------------|--------------|-----------|----------------------|--------|---------------|----------------------|-----------------|-------------------|
| SELL | | | | | | | | | |
| 12/7/2023 | 12/11/2023 | 410,000.00 | 912797FV4 | US TREASURY BILL | 0.00% | 12/21/2023 | 409,401.31 | | 3.50 |
| 12/11/2023 | 12/12/2023 | 690,000.00 | 91282CDV0 | US TREASURY NOTES | 0.87% | 1/31/2024 | 687,966.80 | | -3,834.06 |
| Total SELL | | 5,470,000.00 | | | | | 5,451,234.41 | | -68,143.46 |

For the Quarter Ended December 31, 2023

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

| Tran. Type | Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amount (\$) | Yield at Market | Realized G/L (BV) |
|------------|------------|-------------|--------------|-----------|---------------------------------|--------|---------------|----------------------|-----------------|-------------------|
| BUY | 10/11/2023 | 10/19/2023 | 1,325,000.00 | 3137HAQ74 | FHMS K508 A2 | 4.74% | 8/1/2028 | 1,299,075.05 | 5.26% | |
| BUY | 10/12/2023 | 10/13/2023 | 1,300,000.00 | 912797FB8 | US TREASURY BILL | 0.00% | 10/19/2023 | 1,298,855.89 | 5.29% | |
| BUY | 10/25/2023 | 10/26/2023 | 1,970,000.00 | 912797HN0 | US TREASURY BILL | 0.00% | 12/5/2023 | 1,958,426.25 | 5.32% | |
| BUY | 10/25/2023 | 10/31/2023 | 1,015,000.00 | 3137HAST4 | FHMS K509 A2 | 4.85% | 9/1/2028 | 986,741.05 | 5.60% | |
| BUY | 11/3/2023 | 11/13/2023 | 395,000.00 | 44918CAD4 | HART 2023-C A3 | 5.54% | 10/16/2028 | 394,948.06 | 5.54% | |
| BUY | 11/7/2023 | 11/14/2023 | 265,000.00 | 89239FAD4 | TAOT 2023-D A3 | 5.54% | 8/15/2028 | 264,971.43 | 5.54% | |
| BUY | 11/14/2023 | 11/21/2023 | 515,000.00 | 3137HB3D4 | FHMS K510 A2 | 5.06% | 10/1/2028 | 514,961.44 | 5.14% | |
| BUY | 11/28/2023 | 12/7/2023 | 750,000.00 | 3137HB3G7 | FHMS K511 A2 | 4.86% | 10/1/2028 | 748,452.75 | 4.93% | |
| BUY | 12/4/2023 | 12/5/2023 | 410,000.00 | 912797FV4 | US TREASURY BILL | 0.00% | 12/21/2023 | 409,036.50 | 5.30% | |
| BUY | 12/4/2023 | 12/11/2023 | 295,000.00 | 17305EGW9 | CCCIT 2023-A1 A1 | 5.23% | 12/1/2027 | 294,963.01 | 5.23% | |
| BUY | 12/5/2023 | 12/8/2023 | 2,000,000.00 | 48125LRU8 | JP MORGAN CORP NOTES (CALLABLE) | 5.11% | 12/8/2026 | 2,000,000.00 | 5.11% | |
| BUY | 12/7/2023 | 12/14/2023 | 480,000.00 | 05522RDH8 | BACCT 2023-A2 A2 | 4.98% | 11/15/2028 | 479,935.54 | 4.98% | |
| BUY | 12/11/2023 | 12/12/2023 | 688,000.00 | 912797FV4 | US TREASURY BILL | 0.00% | 12/21/2023 | 687,093.56 | 5.28% | |
| BUY | 12/11/2023 | 12/21/2023 | 680,000.00 | 3137HBCF9 | FHMS K512 A2 | 5.00% | 11/1/2028 | 688,238.73 | 4.78% | |
| INTEREST | 10/1/2023 | 10/25/2023 | 1,300,000.00 | 3137HAMS2 | FHMS K507 A2 | 4.80% | 9/1/2028 | 5,200.00 | | |
| INTEREST | 10/1/2023 | 10/25/2023 | 735,000.00 | 3137HAMN3 | FHMS KJ47 A1 | 5.27% | 8/1/2028 | 3,229.10 | | |
| INTEREST | 10/1/2023 | 10/25/2023 | 1,320,000.00 | 3137BXQY1 | FHMS K064 A2 | 3.22% | 3/1/2027 | 3,546.40 | | |
| INTEREST | 10/1/2023 | 10/25/2023 | 1,350,000.00 | 3137HACX2 | FHMS K505 A2 | 4.81% | 6/1/2028 | 5,421.38 | | |

For the Quarter Ended December 31, 2023

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

| Tran. Type | Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amount (\$) | Yield at Market | Realized G/L (BV) |
|------------|------------|-------------|--------------|-----------|--------------------------------|--------|---------------|----------------------|-----------------|-------------------|
| INTEREST | 10/1/2023 | 10/25/2023 | 1,300,000.00 | 3137HAMH6 | FHMS K506 A2 | 4.65% | 8/1/2028 | 5,037.50 | | |
| INTEREST | 10/1/2023 | 10/25/2023 | 1,165,000.00 | 3137F2LJ3 | FHLMC MULTIFAMILY STRUCTURED P | 3.11% | 6/1/2027 | 3,026.09 | | |
| INTEREST | 10/1/2023 | 10/25/2023 | 1,083,950.99 | 3137HAD45 | FHMS KJ46 A1 | 4.77% | 6/1/2028 | 4,315.03 | | |
| INTEREST | 10/1/2023 | 10/25/2023 | 1,375,000.00 | 3136BQDE6 | FNA 2023-M6 A2 | 4.19% | 7/1/2028 | 4,801.04 | | |
| INTEREST | 10/1/2023 | 10/25/2023 | 965,000.00 | 3137BTUM1 | FHMS K061 A2 | 3.34% | 11/1/2026 | 2,691.55 | | |
| INTEREST | 10/1/2023 | 10/25/2023 | 650,000.00 | 3137HAMG8 | FHMS K506 A1 | 4.65% | 5/1/2028 | 2,518.75 | | |
| INTEREST | 10/2/2023 | 10/2/2023 | | MONEY0002 | MONEY MARKET FUND | | | 22,152.89 | | |
| INTEREST | 10/13/2023 | 10/13/2023 | 1,990,000.00 | 023135CE4 | AMAZON.COM INC CORPORATE NOTES | 3.00% | 4/13/2025 | 29,850.00 | | |
| INTEREST | 10/15/2023 | 10/15/2023 | 1,070,000.00 | 02582JKD1 | AMXCA 2023-3 A | 5.23% | 9/15/2028 | 4,041.63 | | |
| INTEREST | 10/15/2023 | 10/15/2023 | 1,045,000.00 | 161571HT4 | CHAIT 2023-A1 A | 5.16% | 9/15/2028 | 4,493.50 | | |
| INTEREST | 10/31/2023 | 10/31/2023 | 5,775,000.00 | 91282ZN3 | US TREASURY NOTES | 0.50% | 4/30/2027 | 14,437.50 | | |
| INTEREST | 10/31/2023 | 10/31/2023 | 1,225,000.00 | 91282CBW0 | US TREASURY NOTES | 0.75% | 4/30/2026 | 4,593.75 | | |
| INTEREST | 10/31/2023 | 10/31/2023 | 5,890,000.00 | 91282CFU0 | US TREASURY NOTES | 4.12% | 10/31/2027 | 121,481.25 | | |
| INTEREST | 10/31/2023 | 10/31/2023 | 865,000.00 | 91282CHA2 | US TREASURY NOTES | 3.50% | 4/30/2028 | 15,137.50 | | |
| INTEREST | 10/31/2023 | 10/31/2023 | 3,125,000.00 | 9128284M9 | US TREASURY NOTES | 2.87% | 4/30/2025 | 44,921.88 | | |
| INTEREST | 11/1/2023 | 11/1/2023 | | MONEY0002 | MONEY MARKET FUND | | | 29,311.99 | | |
| INTEREST | 11/1/2023 | 11/25/2023 | 1,015,000.00 | 3137HAST4 | FHMS K509 A2 | 4.85% | 9/1/2028 | 4,102.29 | | |
| INTEREST | 11/1/2023 | 11/25/2023 | 965,000.00 | 3137BTUM1 | FHMS K061 A2 | 3.34% | 11/1/2026 | 2,691.55 | | |

For the Quarter Ended December 31, 2023

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

| Tran. Type | Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amount (\$) | Yield at Market | Realized G/L (BV) |
|------------|------------|-------------|--------------|-----------|--------------------------------|--------|---------------|----------------------|-----------------|-------------------|
| INTEREST | 11/1/2023 | 11/25/2023 | 1,325,000.00 | 3137HAQ74 | FHMS K508 A2 | 4.74% | 8/1/2028 | 5,233.75 | | |
| INTEREST | 11/1/2023 | 11/25/2023 | 734,002.13 | 3137HAMN3 | FHMS KJ47 A1 | 5.27% | 8/1/2028 | 3,224.72 | | |
| INTEREST | 11/1/2023 | 11/25/2023 | 1,300,000.00 | 3137HAMH6 | FHMS K506 A2 | 4.65% | 8/1/2028 | 5,037.50 | | |
| INTEREST | 11/1/2023 | 11/25/2023 | 1,375,000.00 | 3136BQDE6 | FNA 2023-M6 A2 | 4.19% | 7/1/2028 | 4,801.04 | | |
| INTEREST | 11/1/2023 | 11/25/2023 | 1,320,000.00 | 3137BXQY1 | FHMS K064 A2 | 3.22% | 3/1/2027 | 3,546.40 | | |
| INTEREST | 11/1/2023 | 11/25/2023 | 1,300,000.00 | 3137HAMS2 | FHMS K507 A2 | 4.80% | 9/1/2028 | 5,200.00 | | |
| INTEREST | 11/1/2023 | 11/25/2023 | 1,350,000.00 | 3137HACX2 | FHMS K505 A2 | 4.81% | 6/1/2028 | 5,421.38 | | |
| INTEREST | 11/1/2023 | 11/25/2023 | 649,440.61 | 3137HAMG8 | FHMS K506 A1 | 4.65% | 5/1/2028 | 2,516.58 | | |
| INTEREST | 11/1/2023 | 11/25/2023 | 1,165,000.00 | 3137F2LJ3 | FHLMC MULTIFAMILY STRUCTURED P | 3.11% | 6/1/2027 | 3,026.09 | | |
| INTEREST | 11/1/2023 | 11/25/2023 | 1,083,304.40 | 3137HAD45 | FHMS KJ46 A1 | 4.77% | 6/1/2028 | 4,312.45 | | |
| INTEREST | 11/10/2023 | 11/10/2023 | 2,300,000.00 | 037833ET3 | APPLE INC CORP NOTES CALLABLE | 4.00% | 5/10/2028 | 46,000.00 | | |
| INTEREST | 11/15/2023 | 11/15/2023 | 6,450,000.00 | 912828U24 | US TREASURY NOTES | 2.00% | 11/15/2026 | 64,500.00 | | |
| INTEREST | 11/15/2023 | 11/15/2023 | 1,560,000.00 | 912810FB9 | US TREASURY NOTES | 6.12% | 11/15/2027 | 47,775.00 | | |
| INTEREST | 11/15/2023 | 11/15/2023 | 1,070,000.00 | 02582JKD1 | AMXCA 2023-3 A | 5.23% | 9/15/2028 | 4,663.42 | | |
| INTEREST | 11/15/2023 | 11/15/2023 | 1,045,000.00 | 161571HT4 | CHAIT 2023-A1 A | 5.16% | 9/15/2028 | 4,493.50 | | |
| INTEREST | 11/15/2023 | 11/15/2023 | 6,220,000.00 | 912828X88 | US TREASURY NOTES | 2.37% | 5/15/2027 | 73,862.50 | | |
| INTEREST | 11/30/2023 | 11/30/2023 | 8,425,000.00 | 91282CCF6 | US TREASURY NOTES | 0.75% | 5/31/2026 | 31,593.75 | | |
| INTEREST | 11/30/2023 | 11/30/2023 | 1,600,000.00 | 91282CAZ4 | US TREASURY NOTES | 0.37% | 11/30/2025 | 3,000.00 | | |

For the Quarter Ended December 31, 2023

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

| Tran. Type | Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amount (\$) | Yield at Market | Realized G/L (BV) |
|------------|------------|-------------|--------------|-----------|--------------------------------|--------|---------------|----------------------|-----------------|-------------------|
| INTEREST | 12/1/2023 | 12/1/2023 | | MONEY0002 | MONEY MARKET FUND | | | 22,269.66 | | |
| INTEREST | 12/1/2023 | 12/25/2023 | 1,165,000.00 | 3137F2LJ3 | FHLMC MULTIFAMILY STRUCTURED P | 3.11% | 6/1/2027 | 3,026.09 | | |
| INTEREST | 12/1/2023 | 12/25/2023 | 1,320,000.00 | 3137BXQY1 | FHMS K064 A2 | 3.22% | 3/1/2027 | 3,546.40 | | |
| INTEREST | 12/1/2023 | 12/25/2023 | 515,000.00 | 3137HB3D4 | FHMS K510 A2 | 5.06% | 10/1/2028 | 2,175.45 | | |
| INTEREST | 12/1/2023 | 12/25/2023 | 1,015,000.00 | 3137HAST4 | FHMS K509 A2 | 4.85% | 9/1/2028 | 4,102.29 | | |
| INTEREST | 12/1/2023 | 12/25/2023 | 1,325,000.00 | 3137HAQ74 | FHMS K508 A2 | 4.74% | 8/1/2028 | 5,233.75 | | |
| INTEREST | 12/1/2023 | 12/25/2023 | 965,000.00 | 3137BTUM1 | FHMS K061 A2 | 3.34% | 11/1/2026 | 2,691.55 | | |
| INTEREST | 12/1/2023 | 12/25/2023 | 1,375,000.00 | 3136BQDE6 | FNA 2023-M6 A2 | 4.19% | 7/1/2028 | 4,801.04 | | |
| INTEREST | 12/1/2023 | 12/25/2023 | 1,082,753.89 | 3137HAD45 | FHMS KJ46 A1 | 4.77% | 6/1/2028 | 4,310.26 | | |
| INTEREST | 12/1/2023 | 12/25/2023 | 648,954.79 | 3137HAMG8 | FHMS K506 A1 | 4.65% | 5/1/2028 | 2,514.70 | | |
| INTEREST | 12/1/2023 | 12/25/2023 | 1,300,000.00 | 3137HAMH6 | FHMS K506 A2 | 4.65% | 8/1/2028 | 5,037.50 | | |
| INTEREST | 12/1/2023 | 12/25/2023 | 1,300,000.00 | 3137HAMS2 | FHMS K507 A2 | 4.80% | 9/1/2028 | 5,200.00 | | |
| INTEREST | 12/1/2023 | 12/25/2023 | 1,350,000.00 | 3137HACX2 | FHMS K505 A2 | 4.81% | 6/1/2028 | 5,421.38 | | |
| INTEREST | 12/1/2023 | 12/25/2023 | 733,214.79 | 3137HAMN3 | FHMS KJ47 A1 | 5.27% | 8/1/2028 | 3,221.26 | | |
| INTEREST | 12/15/2023 | 12/15/2023 | 1,550,000.00 | 91282CCG4 | US TREASURY NOTES | 0.25% | 6/15/2024 | 1,937.50 | | |
| INTEREST | 12/15/2023 | 12/15/2023 | 1,045,000.00 | 161571HT4 | CHAIT 2023-A1 A | 5.16% | 9/15/2028 | 4,493.50 | | |
| INTEREST | 12/15/2023 | 12/15/2023 | 395,000.00 | 44918CAD4 | HART 2023-C A3 | 5.54% | 10/16/2028 | 1,945.15 | | |
| INTEREST | 12/15/2023 | 12/15/2023 | 265,000.00 | 89239FAD4 | TAOT 2023-D A3 | 5.54% | 8/15/2028 | 1,264.20 | | |

For the Quarter Ended December 31, 2023

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

| Tran. Type | Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amount (\$) | Yield at Market | Realized G/L (BV) |
|------------|------------|-------------|--------------|-----------|------------------------|--------|---------------|----------------------|-----------------|-------------------|
| INTEREST | 12/15/2023 | 12/15/2023 | 1,070,000.00 | 02582JKD1 | AMXCA 2023-3 A | 5.23% | 9/15/2028 | 4,663.42 | | |
| INTEREST | 12/26/2023 | 12/26/2023 | 1,300,000.00 | 931142ED1 | WALMART INC CORP NOTES | 3.55% | 6/26/2025 | 23,075.00 | | |
| INTEREST | 12/31/2023 | 12/31/2023 | 2,750,000.00 | 912828ZV5 | US TREASURY NOTES | 0.50% | 6/30/2027 | 6,875.00 | | |
| MATURITY | 10/19/2023 | 10/19/2023 | 1,300,000.00 | 912797FB8 | US TREASURY BILL | 0.00% | 10/19/2023 | 1,300,000.00 | | |
| MATURITY | 12/5/2023 | 12/5/2023 | 1,085,000.00 | 912797HN0 | US TREASURY BILL | 0.00% | 12/5/2023 | 1,085,000.00 | | |
| MATURITY | 12/21/2023 | 12/21/2023 | 688,000.00 | 912797FV4 | US TREASURY BILL | 0.00% | 12/21/2023 | 688,000.00 | | |
| PAYDOWN | 10/1/2023 | 10/25/2023 | 997.87 | 3137HAMN3 | FHMS KJ47 A1 | 5.27% | 8/1/2028 | 997.87 | | |
| PAYDOWN | 10/1/2023 | 10/25/2023 | 646.59 | 3137HAD45 | FHMS KJ46 A1 | 4.77% | 6/1/2028 | 646.59 | | |
| PAYDOWN | 10/1/2023 | 10/25/2023 | 559.39 | 3137HAMG8 | FHMS K506 A1 | 4.65% | 5/1/2028 | 559.39 | | |
| PAYDOWN | 11/1/2023 | 11/25/2023 | 485.82 | 3137HAMG8 | FHMS K506 A1 | 4.65% | 5/1/2028 | 485.82 | | |
| PAYDOWN | 11/1/2023 | 11/25/2023 | 550.51 | 3137HAD45 | FHMS KJ46 A1 | 4.77% | 6/1/2028 | 550.51 | | |
| PAYDOWN | 11/1/2023 | 11/25/2023 | 787.34 | 3137HAMN3 | FHMS KJ47 A1 | 5.27% | 8/1/2028 | 787.34 | | |
| PAYDOWN | 12/1/2023 | 12/25/2023 | 1,007.91 | 3137HAMN3 | FHMS KJ47 A1 | 5.27% | 8/1/2028 | 1,007.91 | | |
| PAYDOWN | 12/1/2023 | 12/25/2023 | 564.13 | 3137HAMG8 | FHMS K506 A1 | 4.65% | 5/1/2028 | 564.13 | | |
| PAYDOWN | 12/1/2023 | 12/25/2023 | 1,442.36 | 3137BTUM1 | FHMS K061 A2 | 3.34% | 11/1/2026 | 1,442.36 | | |
| PAYDOWN | 12/1/2023 | 12/25/2023 | 676.02 | 3137HAD45 | FHMS KJ46 A1 | 4.77% | 6/1/2028 | 676.02 | | |
| SELL | 10/11/2023 | 10/13/2023 | 1,135,000.00 | 91282CHA2 | US TREASURY NOTES | 3.50% | 4/30/2028 | 1,101,578.41 | | -46,420.80 |
| SELL | 11/3/2023 | 11/6/2023 | 395,000.00 | 912797HN0 | US TREASURY BILL | 0.00% | 12/5/2023 | 393,324.23 | | 6.68 |

For the Quarter Ended December 31, 2023

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

| Tran. Type | Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amount (\$) | Yield at Market | Realized G/L (BV) |
|---------------|------------|-------------|-----------------------|-----------|--------------------------------|--------|---------------|----------------------|-----------------|-------------------|
| SELL | 11/8/2023 | 11/13/2023 | 170,000.00 | 912797HN0 | US TREASURY BILL | 0.00% | 12/5/2023 | 169,451.73 | | 1.04 |
| SELL | 11/17/2023 | 11/21/2023 | 320,000.00 | 912797HN0 | US TREASURY BILL | 0.00% | 12/5/2023 | 319,343.93 | | 1.93 |
| SELL | 12/5/2023 | 12/8/2023 | 1,980,000.00 | 46625HJT8 | JPMORGAN CHASE & CO CORP NOTES | 3.87% | 2/1/2024 | 2,001,324.88 | | -15,792.26 |
| SELL | 12/7/2023 | 12/11/2023 | 370,000.00 | 91282CDV0 | US TREASURY NOTES | 0.87% | 1/31/2024 | 368,843.12 | | -2,109.49 |
| SELL | 12/7/2023 | 12/11/2023 | 410,000.00 | 912797FV4 | US TREASURY BILL | 0.00% | 12/21/2023 | 409,401.31 | | 3.50 |
| SELL | 12/11/2023 | 12/12/2023 | 690,000.00 | 91282CDV0 | US TREASURY NOTES | 0.87% | 1/31/2024 | 687,966.80 | | -3,834.06 |
| TOTALS | | | 117,589,339.54 | | | | | 21,330,667.36 | | -68,143.46 |

Important Disclosures

This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation, as it was prepared without regard to any specific objectives or financial circumstances.

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It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

The views expressed within this material constitute the perspective and judgment of PFMAM at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon certain assumptions and current opinion as of the date of issue and are also subject to change. Some, but not all assumptions are noted in the report. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Opinions and data presented are not necessarily indicative of future events or expected performance.

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- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **Commercial Paper:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **Contribution to Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

Glossary

- **Repurchase Agreements:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **Settle Date:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **Supranational:** A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- **Trade Date:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **Unsettled Trade:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. Treasury:** The department of the U.S. government that issues Treasury securities.
- **Yield:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM at Cost:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM at Market:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.



Customer Service
PO Box 11813
Harrisburg, PA 17108-1813

ACCOUNT STATEMENT

For the Month Ending

December 31, 2023

ZONE 7 WATER AGENCY

Client Management Team

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Contents

- Cover/Disclosures
- Summary Statement
- Individual Accounts

Accounts included in Statement

99350000 ZONE 7 WATER AGENCY

ZONE 7 WATER AGENCY
OSBORN SOLITEI
100 NORTH CANYONS PARKWAY
LIVERMORE, CA 94551



Account Statement

For the Month Ending December 31, 2023

Important Disclosures

This statement is for general information purposes only and is not intended to provide specific advice or recommendations. PFM Asset Management LLC ("PFMAM") is an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bancorp Asset Management, Inc. ("USBAM"). USBAM is a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM. PFMAM maintains a written disclosure statement of our background and business experience. If you would like to receive a copy of our current disclosure statement, please contact Service Operations at the address below.

Proxy Voting PFMAM does not normally receive proxies to vote on behalf of its clients. However, it does on occasion receive consent requests. In the event a consent request is received the portfolio manager contacts the client and then proceeds according to their instructions. PFMAM's Proxy Voting Policy is available upon request by contacting Service Operations at the address below.

Questions About an Account PFMAM's monthly statement is intended to detail our investment advisory activity as well as the activity of any accounts held by clients in pools that are managed by PFMAM. The custodian bank maintains the control of assets and executes (i.e., settles) all investment transactions. The custodian statement is the official record of security and cash holdings and transactions. PFMAM recognizes that clients may use these reports to facilitate record keeping and that the custodian bank statement and the PFMAM statement should be reconciled and differences resolved. Many custodians use a settlement date basis which may result in the need to reconcile due to a timing difference.

Account Control PFMAM does not have the authority to withdraw funds from or deposit funds to the custodian outside the scope of services provided by PFMAM. Our clients retain responsibility for their internal accounting policies; implementing and enforcing internal controls and generating ledger entries or otherwise recording transactions.

Market Value Generally, PFMAM's market prices are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv or Bloomberg. For certain short-term investments or where prices are not available from generally recognized sources the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. Non-negotiable FDIC-insured bank certificates of deposit are priced at par. Although PFMAM believes the prices to be reliable, the values of the securities may not represent the prices at which the securities could have been bought or sold. Explanation of the valuation methods for a registered investment company or local government investment program is contained in the appropriate fund offering documentation or information statement.

Amortized Cost The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short term securities (those with less than one year to maturity at time of issuance) is amortized on a straightline basis. Such discount or premium with respect to longer term securities is amortized using the constant yield basis.

Important Disclosures

Tax Reporting Cost data and realized gains / losses are provided for informational purposes only. Please review for accuracy and consult your tax advisor to determine the tax consequences of your security transactions. PFMAM does not report such information to the IRS or other taxing authorities and is not responsible for the accuracy of such information that may be required to be reported to federal, state or other taxing authorities.

Financial Situation In order to better serve you, PFMAM should be promptly notified of any material change in your investment objective or financial situation.

Callable Securities Securities subject to redemption prior to maturity may be redeemed in whole or in part before maturity, which could affect the yield represented.

Portfolio The securities in this portfolio, including shares of mutual funds, are not guaranteed or otherwise protected by PFMAM, the FDIC (except for certain non-negotiable certificates of deposit) or any government agency. Investment in securities involves risks, including the possible loss of the amount invested. Actual settlement values, accrued interest, and amortized cost amounts may vary for securities subject to an adjustable interest rate or subject to principal paydowns. Any changes to the values shown may be reflected within the next monthly statement's beginning values.

Rating Information provided for ratings is based upon a good faith inquiry of selected sources, but its accuracy and completeness cannot be guaranteed. Shares of some local government investment programs and TERM funds are marketed through representatives of PFMAM's affiliate, PFM Fund Distributors, Inc. which is registered with the SEC as a broker/dealer and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Municipal Securities Rulemaking Board ("MSRB"). You may reach the FINRA by calling the FINRA Hotline at 1-800-289-9999 or at the FINRA website address <https://www.finra.org/investors/investor-contacts>. A brochure describing the FINRA Regulation Public Disclosure Program is also available from FINRA upon request.

Key Terms and Definitions

Dividends on local government investment program funds consist of interest earned, plus any discount ratably amortized to the date of maturity, plus all realized gains and losses on the sale of securities prior to maturity, less ratably amortization of any premium and all accrued expenses to the fund. Dividends are accrued daily and may be paid either monthly or quarterly. The monthly earnings on this statement represent the estimated dividend accrued for the month for any program that distributes earnings on a quarterly basis. There is no guarantee that the estimated amount will be paid on the actual distribution date.

Current Yield is the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical fund account with a balance of one share over the seven-day base period including the statement date, expressed as a percentage of the value of one share (normally \$1.00 per share) at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by

365 and dividing the result by 7. The yields quoted should not be considered a representation of the yield of the fund in the future, since the yield is not fixed. *Average maturity* represents the average maturity of all securities and investments of a portfolio, determined by multiplying the par or principal value of each security or investment by its maturity (days or years), summing the products, and dividing the sum by the total principal value of the portfolio. The stated maturity date of mortgage backed or callable securities are used in this statement. However the actual maturity of these securities could vary depending on the level or prepayments on the underlying mortgages or whether a callable security has or is still able to be called. *Monthly distribution yield* represents the net change in the value of one share (normally \$1.00 per share) resulting from all dividends declared during the month by a fund expressed as a percentage of the value of one share at the beginning of the month. This resulting net change is then annualized by multiplying it by 365 and dividing it by the number of calendar days in the month. *YTM at Cost* The yield to maturity at cost is the expected rate of return, based on the original cost, the annual interest receipts, maturity value and the time period from purchase date to maturity, stated as a percentage, on an annualized basis. *YTM at Market* The yield to maturity at market is the rate of return, based on the current market value, the annual interest receipts, maturity value and the time period remaining until maturity, stated as a percentage, on an annualized basis. *Managed Account* A portfolio of investments managed discretely by PFMAM according to the client's specific investment policy and requirements. The investments are directly owned by the client and held by the client's custodian. *Unsettled Trade* A trade which has been executed however the final consummation of the security transaction and payment has not yet taken place.

Please review the detail pages of this statement carefully. If you think your statement is wrong, missing account information, or if you need more information about a transaction, please contact PFMAM within 60 days of receipt. If you have other concerns or questions regarding your account, or to request an updated copy of PFMAM's current disclosure statement, please contact a member of your client management team at PFMAM Service Operations at the address below.

PFM Asset Management LLC
Attn: Service Operations
213 Market Street
Harrisburg, PA 17101

NOT FDIC INSURED NO BANK GUARANTEE MAY LOSE VALUE



Managed Account Summary Statement

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

Transaction Summary - Managed Account

| | |
|-----------------------------|-------------------------|
| Opening Market Value | \$129,491,960.18 |
| Maturities/Calls | (1,776,690.42) |
| Principal Dispositions | (3,437,100.72) |
| Principal Acquisitions | 4,557,378.45 |
| Unsettled Trades | 0.00 |
| Change in Current Value | 1,803,885.60 |
| Closing Market Value | \$130,639,433.09 |

Cash Transactions Summary - Managed Account

| | |
|---------------------------------|----------------|
| Maturities/Calls | 1,773,000.00 |
| Sale Proceeds | 3,467,536.11 |
| Coupon/Interest/Dividend Income | 117,805.10 |
| Principal Payments | 3,690.42 |
| Security Purchases | (5,307,720.09) |
| Net Cash Contribution | (8,079.93) |
| Reconciling Transactions | 0.00 |

Earnings Reconciliation (Cash Basis) - Managed Account

| | |
|---|----------------------|
| Interest/Dividends/Coupons Received | 148,240.49 |
| Less Purchased Interest Related to Interest/Coupons | (2,496.39) |
| Plus Net Realized Gains/Losses | (175,408.16) |
| Total Cash Basis Earnings | (\$29,664.06) |

Cash Balance

Closing Cash Balance **\$5,126,139.87**

Earnings Reconciliation (Accrual Basis)

Total

| | |
|--|------------------|
| Ending Amortized Value of Securities | 132,737,299.97 |
| Ending Accrued Interest | 648,555.94 |
| Plus Proceeds from Sales | 3,467,536.11 |
| Plus Proceeds of Maturities/Calls/Principal Payments | 1,776,690.42 |
| Plus Coupons/Dividends Received | 117,805.10 |
| Less Cost of New Purchases | (4,559,267.34) |
| Less Beginning Amortized Value of Securities | (133,311,612.03) |
| Less Beginning Accrued Interest | (505,438.69) |

Total Accrual Basis Earnings **\$371,569.48**



Portfolio Summary and Statistics

For the Month Ending **December 31, 2023**

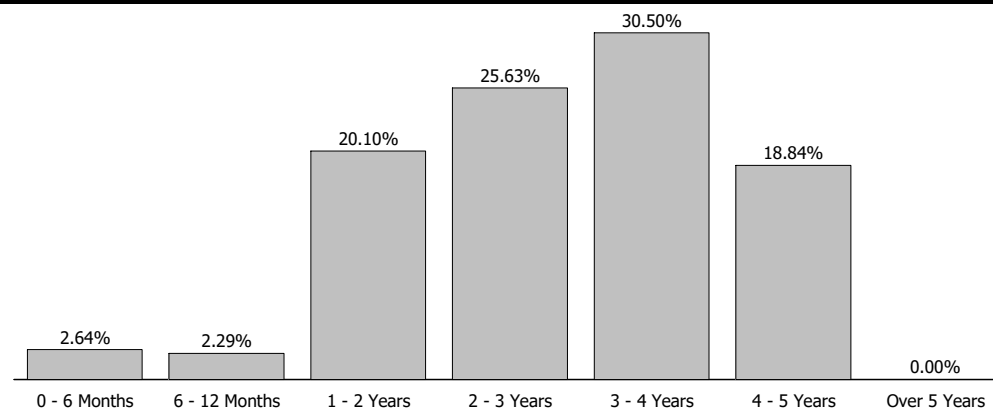
ZONE 7 WATER AGENCY - 99350000

Account Summary

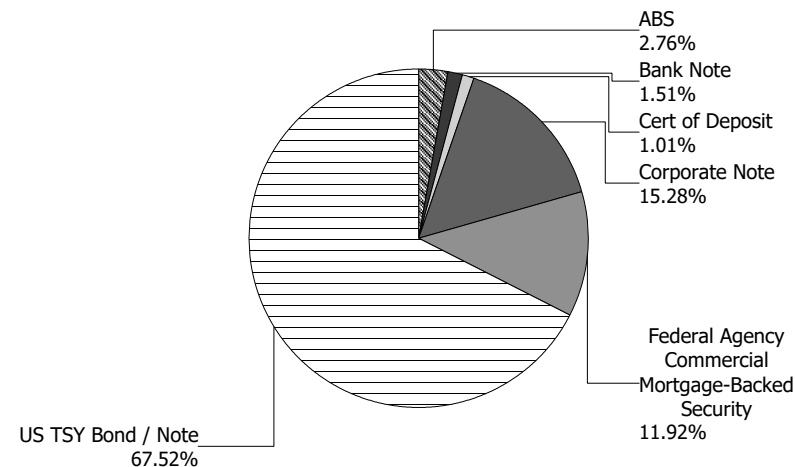
| Description | Par Value | Market Value | Percent |
|--|-----------------------|-----------------------|----------------|
| U.S. Treasury Bond / Note | 93,070,000.00 | 88,195,591.41 | 67.52 |
| Federal Agency Commercial Mortgage-Backed Security | 15,521,233.05 | 15,571,602.82 | 11.92 |
| Corporate Note | 20,245,000.00 | 19,966,425.80 | 15.28 |
| Certificate of Deposit | 1,350,000.00 | 1,324,070.55 | 1.01 |
| Bank Note | 1,945,000.00 | 1,977,285.06 | 1.51 |
| Asset-Backed Security | 3,550,000.00 | 3,604,457.45 | 2.76 |
| Managed Account Sub-Total | 135,681,233.05 | 130,639,433.09 | 100.00% |
| Accrued Interest | | 648,555.94 | |
| Total Portfolio | 135,681,233.05 | 131,287,989.03 | |

Unsettled Trades **0.00** **0.00**

Maturity Distribution



Sector Allocation



Characteristics

| | |
|-----------------------------------|-------|
| Yield to Maturity at Cost | 3.36% |
| Yield to Maturity at Market | 4.34% |
| Weighted Average Days to Maturity | 1042 |



Managed Account Issuer Summary

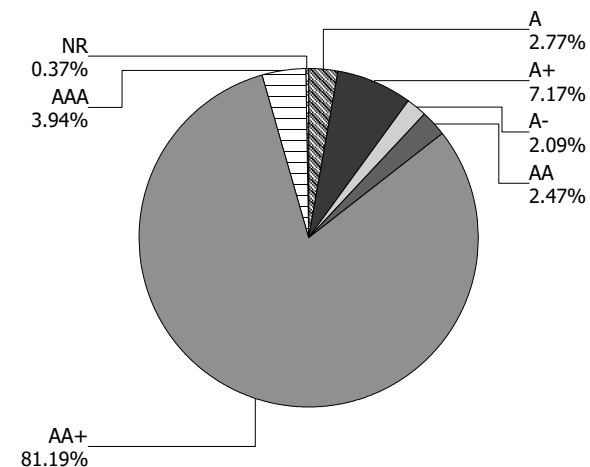
For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

Issuer Summary

| Issuer | Market Value of Holdings | Percent |
|--------------------------|-----------------------------|----------------|
| AMAZON.COM INC | 1,947,057.79 | 1.49 |
| AMERICAN EXPRESS CO | 1,088,388.27 | 0.83 |
| APPLE INC | 2,295,745.00 | 1.76 |
| BANK OF AMERICA CO | 2,493,552.03 | 1.91 |
| CHASE ISSURANCE | 1,061,103.45 | 0.81 |
| CITIGROUP INC | 2,353,750.28 | 1.80 |
| DEERE & COMPANY | 1,020,249.12 | 0.78 |
| FANNIE MAE | 1,365,330.35 | 1.05 |
| FREDDIE MAC | 14,206,272.47 | 10.87 |
| HOME DEPOT INC | 1,321,571.69 | 1.01 |
| HYUNDAI AUTO RECEIVABLES | 402,281.47 | 0.31 |
| JP MORGAN CHASE & CO | 2,739,010.16 | 2.10 |
| MICROSOFT CORP | 2,021,276.18 | 1.55 |
| PACCAR FINANCIAL CORP | 1,001,940.23 | 0.77 |
| RABOBANK NEDERLAND | 1,324,070.55 | 1.01 |
| TARGET CORP | 1,283,125.25 | 0.98 |
| TOYOTA MOTOR CORP | 1,261,190.63 | 0.97 |
| UNITED STATES TREASURY | 88,195,591.41 | 67.51 |
| WAL-MART STORES INC | 1,280,641.70 | 0.98 |
| WELLS FARGO & COMPANY | 1,977,285.06 | 1.51 |
| Total | \$130,639,433.09 | 100.00% |

Credit Quality (S&P Ratings)





Managed Account Detail of Securities Held

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|---|-----------|--------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| U.S. Treasury Bond / Note | | | | | | | | | | | |
| US TREASURY NOTES DTD 01/31/2022 0.875% 01/31/2024 | 91282CDV0 | 260,000.00 | AA+ | Aaa | 02/07/22 | 02/08/22 | 257,836.72 | 1.30 | 952.04 | 259,910.11 | 259,065.61 |
| US TREASURY NOTES DTD 03/31/2022 2.250% 03/31/2024 | 91282CEG2 | 960,000.00 | AA+ | Aaa | 04/01/22 | 04/04/22 | 956,512.50 | 2.44 | 5,488.52 | 959,568.26 | 952,800.00 |
| US TREASURY NOTES DTD 06/15/2021 0.250% 06/15/2024 | 91282CCG4 | 1,550,000.00 | AA+ | Aaa | 04/13/22 | 04/18/22 | 1,479,947.27 | 2.41 | 179.99 | 1,535,261.40 | 1,515,609.38 |
| US TREASURY NOTES DTD 07/15/2021 0.375% 07/15/2024 | 91282CCL3 | 3,075,000.00 | AA+ | Aaa | 02/07/22 | 02/08/22 | 2,997,884.77 | 1.43 | 5,326.94 | 3,057,979.07 | 2,998,125.00 |
| US TREASURY NOTES DTD 01/15/2022 1.125% 01/15/2025 | 91282CDS7 | 3,030,000.00 | AA+ | Aaa | 02/07/22 | 02/08/22 | 2,994,492.19 | 1.54 | 15,746.94 | 3,017,413.28 | 2,919,215.63 |
| US TREASURY NOTES DTD 02/15/2022 1.500% 02/15/2025 | 91282CDZ1 | 5,100,000.00 | AA+ | Aaa | 05/04/22 | 05/05/22 | 4,896,398.44 | 3.01 | 28,895.38 | 5,017,718.54 | 4,921,500.00 |
| US TREASURY NOTES DTD 03/31/2020 0.500% 03/31/2025 | 912828ZF0 | 3,200,000.00 | AA+ | Aaa | 04/01/22 | 04/04/22 | 3,005,750.00 | 2.62 | 4,065.57 | 3,119,062.50 | 3,042,000.00 |
| US TREASURY NOTES DTD 04/30/2018 2.875% 04/30/2025 | 9128284M9 | 3,125,000.00 | AA+ | Aaa | 05/03/22 | 05/04/22 | 3,120,361.33 | 2.93 | 15,303.06 | 3,122,939.78 | 3,056,152.50 |
| US TREASURY NOTES DTD 07/31/2020 0.250% 07/31/2025 | 91282CAB7 | 3,145,000.00 | AA+ | Aaa | 02/07/22 | 02/08/22 | 2,998,560.94 | 1.63 | 3,290.29 | 3,078,415.81 | 2,944,997.50 |
| US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025 | 91282CAJ0 | 1,075,000.00 | AA+ | Aaa | 07/06/22 | 07/07/22 | 990,175.78 | 2.89 | 908.14 | 1,030,192.77 | 1,003,781.25 |
| US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025 | 91282CAJ0 | 1,685,000.00 | AA+ | Aaa | 03/08/22 | 03/09/22 | 1,596,603.32 | 1.81 | 1,423.45 | 1,642,714.26 | 1,573,368.75 |
| US TREASURY NOTES DTD 09/30/2020 0.250% 09/30/2025 | 91282CAM3 | 2,235,000.00 | AA+ | Aaa | 05/03/22 | 05/04/22 | 2,039,612.11 | 2.97 | 1,419.77 | 2,134,873.52 | 2,081,343.75 |
| US TREASURY NOTES DTD 11/30/2020 0.375% 11/30/2025 | 91282CAZ4 | 1,600,000.00 | AA+ | Aaa | 04/13/22 | 04/18/22 | 1,477,187.50 | 2.61 | 524.59 | 1,535,063.59 | 1,485,750.08 |
| US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026 | 91282CBH3 | 3,160,000.00 | AA+ | Aaa | 02/07/22 | 02/08/22 | 2,998,420.31 | 1.71 | 4,958.97 | 3,075,373.61 | 2,919,050.00 |



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|---|-----------|--------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| U.S. Treasury Bond / Note | | | | | | | | | | | |
| US TREASURY NOTES DTD 03/31/2021 0.750% 03/31/2026 | 91282CBT7 | 3,225,000.00 | AA+ | Aaa | 04/01/22 | 04/04/22 | 2,995,848.63 | 2.64 | 6,146.00 | 3,096,033.55 | 2,993,203.13 |
| US TREASURY NOTES DTD 03/31/2021 0.750% 03/31/2026 | 91282CBT7 | 3,405,000.00 | AA+ | Aaa | 05/03/22 | 05/04/22 | 3,126,614.65 | 2.98 | 6,489.04 | 3,245,030.84 | 3,160,265.62 |
| US TREASURY NOTES DTD 04/30/2021 0.750% 04/30/2026 | 91282CBW0 | 1,225,000.00 | AA+ | Aaa | 02/17/22 | 02/18/22 | 1,170,162.11 | 1.86 | 1,564.90 | 1,194,574.28 | 1,133,316.35 |
| US TREASURY NOTES DTD 05/31/2021 0.750% 05/31/2026 | 91282CCF6 | 1,665,000.00 | AA+ | Aaa | 03/08/22 | 03/09/22 | 1,592,546.48 | 1.82 | 1,091.80 | 1,623,658.32 | 1,537,003.13 |
| US TREASURY NOTES DTD 05/31/2021 0.750% 05/31/2026 | 91282CCF6 | 6,760,000.00 | AA+ | Aaa | 06/06/22 | 06/08/22 | 6,195,434.38 | 2.99 | 4,432.79 | 6,417,685.95 | 6,240,325.00 |
| US TREASURY NOTES DTD 09/30/2021 0.875% 09/30/2026 | 91282CCZ2 | 3,420,000.00 | AA+ | Aaa | 05/03/22 | 05/04/22 | 3,122,353.13 | 3.00 | 7,603.89 | 3,234,571.55 | 3,142,125.00 |
| US TREASURY NOTES DTD 11/15/2016 2.000% 11/15/2026 | 912828U24 | 6,450,000.00 | AA+ | Aaa | 06/06/22 | 06/08/22 | 6,181,669.92 | 3.01 | 16,656.59 | 6,276,355.18 | 6,099,281.25 |
| US TREASURY NOTES DTD 02/15/2017 2.250% 02/15/2027 | 912828V98 | 5,300,000.00 | AA+ | Aaa | 07/05/22 | 07/07/22 | 5,162,945.31 | 2.85 | 45,042.80 | 5,207,138.12 | 5,031,687.50 |
| US TREASURY NOTES DTD 04/30/2020 0.500% 04/30/2027 | 912828ZN3 | 5,775,000.00 | AA+ | Aaa | 08/03/22 | 08/05/22 | 5,161,406.25 | 2.92 | 4,918.27 | 5,343,816.42 | 5,156,894.82 |
| US TREASURY NOTES DTD 05/15/2017 2.375% 05/15/2027 | 912828X88 | 6,220,000.00 | AA+ | Aaa | 06/10/22 | 06/13/22 | 5,966,826.56 | 3.28 | 19,074.38 | 6,046,709.33 | 5,908,028.44 |
| US TREASURY NOTES DTD 06/30/2020 0.500% 06/30/2027 | 912828ZV5 | 2,750,000.00 | AA+ | Aaa | 08/09/22 | 08/10/22 | 2,440,410.16 | 2.99 | 37.77 | 2,528,690.96 | 2,442,773.30 |
| US TREASURY NOTES DTD 08/15/2017 2.250% 08/15/2027 | 9128282R0 | 2,570,000.00 | AA+ | Aaa | 09/01/22 | 09/06/22 | 2,436,580.86 | 3.40 | 21,841.51 | 2,472,228.32 | 2,423,831.25 |
| US TREASURY NOTES DTD 09/30/2022 4.125% 09/30/2027 | 91282CFM8 | 1,940,000.00 | AA+ | Aaa | 11/01/22 | 11/03/22 | 1,927,344.53 | 4.27 | 20,334.22 | 1,930,338.90 | 1,953,337.50 |
| US TREASURY NOTES DTD 10/31/2022 4.125% 10/31/2027 | 91282CFU0 | 5,890,000.00 | AA+ | Aaa | 12/13/22 | 12/14/22 | 6,019,303.91 | 3.63 | 41,383.72 | 5,991,513.00 | 5,929,573.73 |



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|--|-----------|----------------------|---------------|-------------------|---------------|----------------|----------------------|----------------|---------------------|----------------------|----------------------|
| U.S. Treasury Bond / Note | | | | | | | | | | | |
| US TREASURY NOTES DTD 11/15/1997 6.125% 11/15/2027 | 912810FB9 | 1,560,000.00 | AA+ | Aaa | 01/26/23 | 01/30/23 | 1,730,685.94 | 3.62 | 12,337.50 | 1,697,914.24 | 1,678,462.50 |
| US TREASURY NOTES DTD 03/31/2023 3.625% 03/31/2028 | 91282CGT2 | 850,000.00 | AA+ | Aaa | 05/31/23 | 05/31/23 | 842,263.67 | 3.83 | 7,829.41 | 843,205.52 | 840,968.75 |
| US TREASURY NOTES DTD 04/30/2023 3.500% 04/30/2028 | 91282CHA2 | 865,000.00 | AA+ | Aaa | 05/01/23 | 05/01/23 | 860,877.73 | 3.61 | 5,156.73 | 861,430.83 | 851,754.69 |
| Security Type Sub-Total | | 93,070,000.00 | | | | | 88,743,017.40 | 2.81 | 310,424.97 | 90,597,381.81 | 88,195,591.41 |
| Federal Agency Commercial Mortgage-Backed Security | | | | | | | | | | | |
| FHMS K061 A2 DTD 01/30/2017 3.347% 11/01/2026 | 3137BTUM1 | 963,557.64 | AA+ | Aaa | 05/19/23 | 05/24/23 | 933,898.13 | 4.31 | 2,687.52 | 939,136.33 | 935,474.63 |
| FHMS K064 A2 DTD 05/15/2017 3.224% 03/01/2027 | 3137BXOY1 | 1,320,000.00 | AA+ | Aaa | 08/16/23 | 08/18/23 | 1,245,131.25 | 4.98 | 3,546.40 | 1,253,018.28 | 1,275,206.57 |
| FHLMC MULTIFAMILY STRUCTURED P DTD 08/01/2017 3.117% 06/01/2027 | 3137F2LJ3 | 1,165,000.00 | AA+ | Aaa | 08/17/23 | 08/22/23 | 1,089,457.03 | 5.01 | 3,026.09 | 1,096,688.12 | 1,119,090.16 |
| FHMS K506 A1 DTD 09/01/2023 4.650% 05/01/2028 | 3137HAMG8 | 648,390.66 | AA+ | Aaa | 09/07/23 | 09/14/23 | 638,693.99 | 5.01 | 2,512.51 | 639,251.21 | 654,050.21 |
| FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028 | 3137HAD45 | 1,082,077.87 | AA+ | Aaa | 07/19/23 | 07/27/23 | 1,082,050.82 | 4.78 | 4,307.57 | 1,082,053.23 | 1,086,806.37 |
| FHMS K505 A2 DTD 07/01/2023 4.819% 06/01/2028 | 3137HACX2 | 1,350,000.00 | AA+ | Aaa | 07/13/23 | 07/20/23 | 1,363,483.80 | 4.59 | 5,421.38 | 1,362,232.49 | 1,372,138.60 |
| FNA 2023-M6 A2 DTD 07/01/2023 4.190% 07/01/2028 | 3136BODE6 | 1,375,000.00 | AA+ | Aaa | 07/18/23 | 07/31/23 | 1,351,689.45 | 4.58 | 4,801.04 | 1,353,687.13 | 1,365,330.35 |
| FHMS KJ47 A1 DTD 09/01/2023 5.272% 08/01/2028 | 3137HAMN3 | 732,206.88 | AA+ | Aaa | 09/19/23 | 09/28/23 | 732,203.22 | 5.27 | 3,216.83 | 732,203.40 | 750,024.22 |
| FHMS K506 A2 DTD 09/01/2023 4.650% 08/01/2028 | 3137HAMH6 | 1,300,000.00 | AA+ | Aaa | 09/07/23 | 09/14/23 | 1,280,769.10 | 4.99 | 5,037.50 | 1,281,811.33 | 1,315,028.70 |
| FHMS K508 A2 DTD 10/01/2023 4.740% 08/01/2028 | 3137HA074 | 1,325,000.00 | AA+ | Aaa | 10/11/23 | 10/19/23 | 1,295,934.80 | 5.26 | 5,233.75 | 1,297,017.84 | 1,345,017.76 |



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|---|-----------|----------------------|---------------|-------------------|---------------|----------------|----------------------|----------------|---------------------|----------------------|----------------------|
| Federal Agency Commercial Mortgage-Backed Security | | | | | | | | | | | |
| FHMS K509 A2 DTD 10/01/2023 4.850% 09/01/2028 | 3137HAST4 | 1,015,000.00 | AA+ | Aaa | 10/25/23 | 10/31/23 | 982,638.76 | 5.60 | 4,102.29 | 983,630.41 | 1,035,370.82 |
| FHMS K507 A2 DTD 09/01/2023 4.800% 09/01/2028 | 3137HAMS2 | 1,300,000.00 | AA+ | Aaa | 09/20/23 | 09/28/23 | 1,284,461.10 | 5.07 | 5,200.00 | 1,285,183.46 | 1,323,883.54 |
| FHMS K510 A2 DTD 11/01/2023 5.069% 10/01/2028 | 3137HB3D4 | 515,000.00 | AA+ | Aaa | 11/14/23 | 11/21/23 | 513,511.14 | 5.14 | 2,175.45 | 513,541.19 | 529,583.69 |
| FHMS K511 A2 DTD 12/01/2023 4.860% 10/01/2028 | 3137HB3G7 | 750,000.00 | AA+ | Aaa | 11/28/23 | 12/07/23 | 747,845.25 | 4.93 | 3,037.50 | 747,871.94 | 765,889.91 |
| FHMS K512 A2 DTD 12/01/2023 5.000% 11/01/2028 | 3137HBCF9 | 680,000.00 | AA+ | Aaa | 12/11/23 | 12/21/23 | 686,349.84 | 4.78 | 2,833.33 | 686,315.51 | 698,707.29 |
| Security Type Sub-Total | | 15,521,233.05 | | | | | 15,228,117.68 | 4.94 | 57,139.16 | 15,253,641.87 | 15,571,602.82 |
| Corporate Note | | | | | | | | | | | |
| JPMORGAN CHASE & CO CORP NOTES DTD 01/28/2014 3.875% 02/01/2024 | 46625HJT8 | 720,000.00 | A- | A1 | 05/20/21 | 05/24/21 | 785,318.40 | 0.47 | 11,625.00 | 722,059.89 | 718,814.16 |
| AMAZON.COM INC CORPORATE NOTES DTD 04/13/2022 3.000% 04/13/2025 | 023135CE4 | 1,990,000.00 | AA | A1 | 04/11/22 | 04/13/22 | 1,986,835.90 | 3.06 | 12,935.00 | 1,988,648.91 | 1,947,057.79 |
| WALMART INC CORP NOTES (CALLABLE) DTD 06/27/2018 3.550% 06/26/2025 | 931142ED1 | 1,300,000.00 | AA | Aa2 | 02/07/22 | 02/09/22 | 1,372,527.00 | 1.84 | 640.97 | 1,329,765.77 | 1,280,641.70 |
| JP MORGAN CORP NOTES (CALLABLE) DTD 12/08/2023 5.110% 12/08/2026 | 48125LRU8 | 2,000,000.00 | A+ | Aa2 | 12/05/23 | 12/08/23 | 2,000,000.00 | 5.11 | 6,529.44 | 2,000,000.00 | 2,020,196.00 |
| TARGET CORP CORP NOTES (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027 | 87612EBM7 | 1,375,000.00 | A | A2 | 02/07/22 | 02/09/22 | 1,366,915.00 | 2.08 | 12,363.54 | 1,370,017.02 | 1,283,125.25 |
| MICROSOFT CORP CORP NOTES (CALLABLE) DTD 02/06/2017 3.300% 02/06/2027 | 594918BY9 | 2,075,000.00 | AAA | Aaa | 12/14/22 | 12/16/22 | 2,015,634.25 | 4.06 | 27,580.21 | 2,030,583.59 | 2,021,276.18 |
| BANK OF AMERICA CORP CORP NOTES (CALLABL DTD 03/11/2021 1.658% 03/11/2027 | 06051GJO3 | 2,170,000.00 | A- | A1 | 04/13/22 | 04/18/22 | 2,000,761.70 | 3.40 | 10,993.46 | 2,059,730.08 | 2,008,586.72 |



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|---|-----------|----------------------|---------------|-------------------|---------------|----------------|----------------------|----------------|---------------------|----------------------|----------------------|
| Corporate Note | | | | | | | | | | | |
| HOME DEPOT INC CORP NOTES (CALLABLE) DTD 09/14/2017 2.800% 09/14/2027 | 437076BT8 | 1,390,000.00 | A | A2 | 01/26/23 | 01/30/23 | 1,311,326.00 | 4.16 | 11,567.89 | 1,326,986.23 | 1,321,571.69 |
| TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 01/12/2023 4.625% 01/12/2028 | 89236TKQ7 | 980,000.00 | A+ | A1 | 08/14/23 | 08/16/23 | 967,946.00 | 4.94 | 21,277.57 | 968,979.20 | 991,055.38 |
| APPLE INC CORP NOTES CALLABLE DTD 05/10/2023 4.000% 05/10/2028 | 037833ET3 | 2,300,000.00 | AA+ | Aaa | 05/10/23 | 05/11/23 | 2,302,001.00 | 3.98 | 13,033.33 | 2,301,739.18 | 2,295,745.00 |
| JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028 | 24422EXB0 | 195,000.00 | A | A2 | 07/13/23 | 07/14/23 | 197,652.00 | 4.64 | 4,477.69 | 197,403.78 | 199,948.32 |
| JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028 | 24422EXB0 | 345,000.00 | A | A2 | 07/14/23 | 07/18/23 | 348,381.00 | 4.73 | 7,922.06 | 348,071.28 | 353,754.72 |
| JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028 | 24422EXB0 | 455,000.00 | A | A2 | 07/11/23 | 07/14/23 | 454,322.05 | 4.98 | 10,447.94 | 454,385.50 | 466,546.08 |
| PACCAR FINANCIAL CORP CORPORATE NOTES DTD 08/10/2023 4.950% 08/10/2028 | 69371RS64 | 975,000.00 | A+ | A1 | 08/17/23 | 08/21/23 | 970,407.75 | 5.06 | 18,902.81 | 970,744.08 | 1,001,940.23 |
| CITIBANK NA CORP NOTES (CALLABLE) DTD 09/29/2023 5.803% 09/29/2028 | 17325FBB3 | 1,975,000.00 | A+ | Aa3 | 09/26/23 | 09/29/23 | 1,975,000.00 | 5.80 | 29,289.03 | 1,975,000.00 | 2,056,166.58 |
| Security Type Sub-Total | | 20,245,000.00 | | | | | 20,055,028.05 | 3.91 | 199,585.94 | 20,044,114.51 | 19,966,425.80 |
| Certificate of Deposit | | | | | | | | | | | |
| COOPERAT RABOBANK UA/NY CERT DEPOS DTD 07/20/2023 5.080% 07/17/2026 | 21684LGS5 | 1,350,000.00 | A+ | Aa2 | 07/17/23 | 07/20/23 | 1,350,000.00 | 5.08 | 30,670.50 | 1,350,000.00 | 1,324,070.55 |
| Security Type Sub-Total | | 1,350,000.00 | | | | | 1,350,000.00 | 5.08 | 30,670.50 | 1,350,000.00 | 1,324,070.55 |
| Bank Note | | | | | | | | | | | |



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|---|-----------|-------------------------|---------------|-------------------|---------------|----------------|-------------------------|----------------|---------------------|-------------------------|-------------------------|
| Bank Note | | | | | | | | | | | |
| WELLS FARGO BANK NA BANK NOTES (CALLABLE DTD 08/09/2023 5.450% 08/07/2026 | 94988J6D4 | 1,945,000.00 | A+ | Aa2 | 08/18/23 | 08/22/23 | 1,942,335.35 | 5.50 | 41,812.10 | 1,942,660.73 | 1,977,285.06 |
| Security Type Sub-Total | | 1,945,000.00 | | | | | 1,942,335.35 | 5.50 | 41,812.10 | 1,942,660.73 | 1,977,285.06 |
| Asset-Backed Security | | | | | | | | | | | |
| CCCIT 2023-A1 A1 DTD 12/01/2023 5.230% 12/01/2027 | 17305EGW9 | 295,000.00 | AAA | Aaa | 12/04/23 | 12/11/23 | 294,963.01 | 5.23 | 1,285.71 | 294,963.49 | 297,583.70 |
| TAOT 2023-D A3 DTD 11/14/2023 5.540% 08/15/2028 | 89239FAD4 | 265,000.00 | AAA | NR | 11/07/23 | 11/14/23 | 264,971.43 | 5.54 | 652.49 | 264,972.12 | 270,135.25 |
| CHAIT 2023-A1 A DTD 09/15/2023 5.160% 09/15/2028 | 161571HT4 | 1,045,000.00 | AAA | NR | 09/07/23 | 09/15/23 | 1,044,710.33 | 5.17 | 2,396.53 | 1,044,725.46 | 1,061,103.45 |
| AMXCA 2023-3 A DTD 09/19/2023 5.230% 09/15/2028 | 02582JKD1 | 1,070,000.00 | AAA | NR | 09/12/23 | 09/19/23 | 1,069,952.17 | 5.23 | 2,487.16 | 1,069,954.58 | 1,088,388.27 |
| HART 2023-C A3 DTD 11/13/2023 5.540% 10/16/2028 | 44918CAD4 | 395,000.00 | AAA | NR | 11/03/23 | 11/13/23 | 394,948.06 | 5.54 | 972.58 | 394,949.30 | 402,281.47 |
| BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028 | 05522RDH8 | 480,000.00 | NR | Aaa | 12/07/23 | 12/14/23 | 479,935.54 | 4.98 | 1,128.80 | 479,936.10 | 484,965.31 |
| Security Type Sub-Total | | 3,550,000.00 | | | | | 3,549,480.54 | 5.24 | 8,923.27 | 3,549,501.05 | 3,604,457.45 |
| Managed Account Sub-Total | | 135,681,233.05 | | | | | 130,867,979.02 | 3.36 | 648,555.94 | 132,737,299.97 | 130,639,433.09 |
| Securities Sub-Total | | \$135,681,233.05 | | | | | \$130,867,979.02 | 3.36% | \$648,555.94 | \$132,737,299.97 | \$130,639,433.09 |
| Accrued Interest | | | | | | | | | | | \$648,555.94 |
| Total Investments | | | | | | | | | | | \$131,287,989.03 |



Managed Account Fair Market Value & Analytics

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | Broker | Next Call Date | Market Price | Market Value | Unreal G/L On Cost | Unreal G/L Amort Cost | Effective Duration | YTM at Mkt |
|---|-----------|--------------|---------|-------------------|-----------------|-----------------|-----------------------|--------------------------|-----------------------|---------------|
| U.S. Treasury Bond / Note | | | | | | | | | | |
| US TREASURY NOTES DTD 01/31/2022 0.875% 01/31/2024 | 91282CDV0 | 260,000.00 | CITIGRP | | 99.64 | 259,065.61 | 1,228.89 | (844.50) | 0.09 | 5.14 |
| US TREASURY NOTES DTD 03/31/2022 2.250% 03/31/2024 | 91282CEG2 | 960,000.00 | BNP_PAR | | 99.25 | 952,800.00 | (3,712.50) | (6,768.26) | 0.26 | 5.28 |
| US TREASURY NOTES DTD 06/15/2021 0.250% 06/15/2024 | 91282CCG4 | 1,550,000.00 | BNP_PAR | | 97.78 | 1,515,609.38 | 35,662.11 | (19,652.02) | 0.46 | 5.23 |
| US TREASURY NOTES DTD 07/15/2021 0.375% 07/15/2024 | 91282CCL3 | 3,075,000.00 | CITIGRP | | 97.50 | 2,998,125.00 | 240.23 | (59,854.07) | 0.55 | 5.12 |
| US TREASURY NOTES DTD 01/15/2022 1.125% 01/15/2025 | 91282CDS7 | 3,030,000.00 | BARCLAY | | 96.34 | 2,919,215.63 | (75,276.56) | (98,197.65) | 1.04 | 4.77 |
| US TREASURY NOTES DTD 02/15/2022 1.500% 02/15/2025 | 91282CDZ1 | 5,100,000.00 | HSBC | | 96.50 | 4,921,500.00 | 25,101.56 | (96,218.54) | 1.12 | 4.73 |
| US TREASURY NOTES DTD 03/31/2020 0.500% 03/31/2025 | 912828ZF0 | 3,200,000.00 | BNP_PAR | | 95.06 | 3,042,000.00 | 36,250.00 | (77,062.50) | 1.25 | 4.61 |
| US TREASURY NOTES DTD 04/30/2018 2.875% 04/30/2025 | 9128284M9 | 3,125,000.00 | BNP_PAR | | 97.80 | 3,056,152.50 | (64,208.83) | (66,787.28) | 1.32 | 4.60 |
| US TREASURY NOTES DTD 07/31/2020 0.250% 07/31/2025 | 91282CAB7 | 3,145,000.00 | BNP_PAR | | 93.64 | 2,944,997.50 | (53,563.44) | (133,418.31) | 1.59 | 4.45 |
| US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025 | 91282CAJ0 | 1,075,000.00 | RBC | | 93.38 | 1,003,781.25 | 13,605.47 | (26,411.52) | 1.67 | 4.42 |
| US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025 | 91282CAJ0 | 1,685,000.00 | NOMURA | | 93.38 | 1,573,368.75 | (23,234.57) | (69,345.51) | 1.67 | 4.42 |
| US TREASURY NOTES DTD 09/30/2020 0.250% 09/30/2025 | 91282CAM3 | 2,235,000.00 | BNP_PAR | | 93.13 | 2,081,343.75 | 41,731.64 | (53,529.77) | 1.75 | 4.38 |
| US TREASURY NOTES DTD 11/30/2020 0.375% 11/30/2025 | 91282CAZ4 | 1,600,000.00 | WELLS_F | | 92.86 | 1,485,750.08 | 8,562.58 | (49,313.51) | 1.92 | 4.30 |
| US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026 | 91282CBH3 | 3,160,000.00 | GOLDMAN | | 92.38 | 2,919,050.00 | (79,370.31) | (156,323.61) | 2.08 | 4.24 |
| US TREASURY NOTES DTD 03/31/2021 0.750% 03/31/2026 | 91282CBT7 | 3,225,000.00 | CITIGRP | | 92.81 | 2,993,203.13 | (2,645.50) | (102,830.42) | 2.23 | 4.13 |
| US TREASURY NOTES DTD 03/31/2021 0.750% 03/31/2026 | 91282CBT7 | 3,405,000.00 | MORGAN_ | | 92.81 | 3,160,265.62 | 33,650.97 | (84,765.22) | 2.23 | 4.13 |
| US TREASURY NOTES DTD 04/30/2021 0.750% 04/30/2026 | 91282CBW0 | 1,225,000.00 | CITIGRP | | 92.52 | 1,133,316.35 | (36,845.76) | (61,257.93) | 2.32 | 4.15 |



Managed Account Fair Market Value & Analytics

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | Broker | Next Call Date | Market Price | Market Value | Unreal G/L On Cost | Unreal G/L Amort Cost | Effective Duration | YTM at Mkt |
|---|-----------|----------------------|---------|-------------------|-----------------|----------------------|-----------------------|--------------------------|-----------------------|---------------|
| U.S. Treasury Bond / Note | | | | | | | | | | |
| US TREASURY NOTES DTD 05/31/2021 0.750% 05/31/2026 | 91282CCF6 | 1,665,000.00 | BNP_PAR | | 92.31 | 1,537,003.13 | (55,543.35) | (86,655.19) | 2.40 | 4.13 |
| US TREASURY NOTES DTD 05/31/2021 0.750% 05/31/2026 | 91282CCF6 | 6,760,000.00 | CITIGRP | | 92.31 | 6,240,325.00 | 44,890.62 | (177,360.95) | 2.40 | 4.13 |
| US TREASURY NOTES DTD 09/30/2021 0.875% 09/30/2026 | 91282CCZ2 | 3,420,000.00 | NOMURA | | 91.88 | 3,142,125.00 | 19,771.87 | (92,446.55) | 2.72 | 4.03 |
| US TREASURY NOTES DTD 11/15/2016 2.000% 11/15/2026 | 912828U24 | 6,450,000.00 | RBC | | 94.56 | 6,099,281.25 | (82,388.67) | (177,073.93) | 2.80 | 4.02 |
| US TREASURY NOTES DTD 02/15/2017 2.250% 02/15/2027 | 912828V98 | 5,300,000.00 | JPM_CHA | | 94.94 | 5,031,687.50 | (131,257.81) | (175,450.62) | 3.01 | 3.99 |
| US TREASURY NOTES DTD 04/30/2020 0.500% 04/30/2027 | 912828ZN3 | 5,775,000.00 | NOMURA | | 89.30 | 5,156,894.82 | (4,511.43) | (186,921.60) | 3.31 | 3.96 |
| US TREASURY NOTES DTD 05/15/2017 2.375% 05/15/2027 | 912828X88 | 6,220,000.00 | BARCLAY | | 94.98 | 5,908,028.44 | (58,798.12) | (138,680.89) | 3.25 | 3.98 |
| US TREASURY NOTES DTD 06/30/2020 0.500% 06/30/2027 | 912828ZV5 | 2,750,000.00 | WELLS_F | | 88.83 | 2,442,773.30 | 2,363.14 | (85,917.66) | 3.47 | 3.95 |
| US TREASURY NOTES DTD 08/15/2017 2.250% 08/15/2027 | 9128282R0 | 2,570,000.00 | HSBC | | 94.31 | 2,423,831.25 | (12,749.61) | (48,397.07) | 3.47 | 3.95 |
| US TREASURY NOTES DTD 09/30/2022 4.125% 09/30/2027 | 91282CFM8 | 1,940,000.00 | MERRILL | | 100.69 | 1,953,337.50 | 25,992.97 | 22,998.60 | 3.48 | 3.92 |
| US TREASURY NOTES DTD 10/31/2022 4.125% 10/31/2027 | 91282CFU0 | 5,890,000.00 | BARCLAY | | 100.67 | 5,929,573.73 | (89,730.18) | (61,939.27) | 3.57 | 3.93 |
| US TREASURY NOTES DTD 11/15/1997 6.125% 11/15/2027 | 912810FB9 | 1,560,000.00 | NOMURA | | 107.59 | 1,678,462.50 | (52,223.44) | (19,451.74) | 3.50 | 3.99 |
| US TREASURY NOTES DTD 03/31/2023 3.625% 03/31/2028 | 91282CGT2 | 850,000.00 | JPM_CHA | | 98.94 | 840,968.75 | (1,294.92) | (2,236.77) | 3.94 | 3.90 |
| US TREASURY NOTES DTD 04/30/2023 3.500% 04/30/2028 | 91282CHA2 | 865,000.00 | CITIGRP | | 98.47 | 851,754.69 | (9,123.04) | (9,676.14) | 4.04 | 3.89 |
| Security Type Sub-Total | | 93,070,000.00 | | | | 88,195,591.41 | (547,425.99) | (2,401,790.40) | 2.38 | 4.24 |
| Federal Agency Commercial Mortgage-Backed Security | | | | | | | | | | |
| FHMS K061 A2 DTD 01/30/2017 3.347% 11/01/2026 | 3137BTUM1 | 963,557.64 | CITIGRP | | 97.09 | 935,474.63 | 1,576.50 | (3,661.70) | 2.55 | 4.44 |



Managed Account Fair Market Value & Analytics

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | Broker | Next Call Date | Market Price | Market Value | Unreal G/L On Cost | Unreal G/L Amort Cost | Effective Duration | YTM at Mkt |
|--|-----------|----------------------|---------|-------------------|-----------------|----------------------|-----------------------|--------------------------|-----------------------|---------------|
| Federal Agency Commercial Mortgage-Backed Security | | | | | | | | | | |
| FHMS K064 A2 DTD 05/15/2017 3.224% 03/01/2027 | 3137BXOY1 | 1,320,000.00 | MORGAN_ | | 96.61 | 1,275,206.57 | 30,075.32 | 22,188.29 | 2.85 | 4.37 |
| FHLMC MULTIFAMILY STRUCTURED P DTD 08/01/2017 3.117% 06/01/2027 | 3137F2LJ3 | 1,165,000.00 | CANT_FI | | 96.06 | 1,119,090.16 | 29,633.13 | 22,402.04 | 3.09 | 4.36 |
| FHMS K506 A1 DTD 09/01/2023 4.650% 05/01/2028 | 3137HAMG8 | 648,390.66 | WELLS_F | | 100.87 | 654,050.21 | 15,356.22 | 14,799.00 | 3.59 | 4.43 |
| FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028 | 3137HAD45 | 1,082,077.87 | JPM_CHA | | 100.44 | 1,086,806.37 | 4,755.55 | 4,753.14 | 3.10 | 4.67 |
| FHMS K505 A2 DTD 07/01/2023 4.819% 06/01/2028 | 3137HACX2 | 1,350,000.00 | JPM_CHA | | 101.64 | 1,372,138.60 | 8,654.80 | 9,906.11 | 3.86 | 4.41 |
| FNA 2023-M6 A2 DTD 07/01/2023 4.190% 07/01/2028 | 3136BODE6 | 1,375,000.00 | JPM_CHA | | 99.30 | 1,365,330.35 | 13,640.90 | 11,643.22 | 4.02 | 4.36 |
| FHMS KJ47 A1 DTD 09/01/2023 5.272% 08/01/2028 | 3137HAMN3 | 732,206.88 | JPM_CHA | | 102.43 | 750,024.22 | 17,821.00 | 17,820.82 | 3.32 | 4.68 |
| FHMS K506 A2 DTD 09/01/2023 4.650% 08/01/2028 | 3137HAMH6 | 1,300,000.00 | WELLS_F | | 101.16 | 1,315,028.70 | 34,259.60 | 33,217.37 | 4.00 | 4.37 |
| FHMS K508 A2 DTD 10/01/2023 4.740% 08/01/2028 | 3137HAQ74 | 1,325,000.00 | BMO | | 101.51 | 1,345,017.76 | 49,082.96 | 47,999.92 | 4.02 | 4.38 |
| FHMS K509 A2 DTD 10/01/2023 4.850% 09/01/2028 | 3137HAST4 | 1,015,000.00 | MORGAN_ | | 102.01 | 1,035,370.82 | 52,732.06 | 51,740.41 | 4.09 | 4.37 |
| FHMS K507 A2 DTD 09/01/2023 4.800% 09/01/2028 | 3137HAMS2 | 1,300,000.00 | MERRILL | | 101.84 | 1,323,883.54 | 39,422.44 | 38,700.08 | 4.05 | 4.36 |
| FHMS K510 A2 DTD 11/01/2023 5.069% 10/01/2028 | 3137HB3D4 | 515,000.00 | JPM_CHA | | 102.83 | 529,583.69 | 16,072.55 | 16,042.50 | 4.10 | 4.41 |
| FHMS K511 A2 DTD 12/01/2023 4.860% 10/01/2028 | 3137HB3G7 | 750,000.00 | MERRILL | | 102.12 | 765,889.91 | 18,044.66 | 18,017.97 | 4.15 | 4.37 |
| FHMS K512 A2 DTD 12/01/2023 5.000% 11/01/2028 | 3137HBCF9 | 680,000.00 | JPM_CHA | | 102.75 | 698,707.29 | 12,357.45 | 12,391.78 | 4.30 | 4.37 |
| Security Type Sub-Total | | 15,521,233.05 | | | | 15,571,602.82 | 343,485.14 | 317,960.95 | 3.67 | 4.42 |
| Corporate Note | | | | | | | | | | |
| JPMORGAN CHASE & CO CORP NOTES DTD 01/28/2014 3.875% 02/01/2024 | 46625HJT8 | 720,000.00 | DIRECT | | 99.84 | 718,814.16 | (66,504.24) | (3,245.73) | 0.09 | 5.71 |



Managed Account Fair Market Value & Analytics

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | Broker | Next Call Date | Market Price | Market Value | Unreal G/L On Cost | Unreal G/L Amort Cost | Effective Duration | YTM at Mkt |
|---|-----------|--------------|---------|-------------------|-----------------|-----------------|-----------------------|--------------------------|-----------------------|---------------|
| Corporate Note | | | | | | | | | | |
| AMAZON.COM INC CORPORATE NOTES DTD 04/13/2022 3.000% 04/13/2025 | 023135CE4 | 1,990,000.00 | JPM_CHA | | 97.84 | 1,947,057.79 | (39,778.11) | (41,591.12) | 1.27 | 4.75 |
| WALMART INC CORP NOTES (CALLABLE) DTD 06/27/2018 3.550% 06/26/2025 | 931142ED1 | 1,300,000.00 | MORGAN_ | 04/26/25 | 98.51 | 1,280,641.70 | (91,885.30) | (49,124.07) | 1.30 | 4.60 |
| JP MORGAN CORP NOTES (CALLABLE) DTD 12/08/2023 5.110% 12/08/2026 | 48125LRU8 | 2,000,000.00 | JPM_CHA | 11/08/26 | 101.01 | 2,020,196.00 | 20,196.00 | 20,196.00 | 2.69 | 4.74 |
| TARGET CORP CORP NOTES (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027 | 87612EBM7 | 1,375,000.00 | BARCLAY | 12/15/26 | 93.32 | 1,283,125.25 | (83,789.75) | (86,891.77) | 2.86 | 4.32 |
| MICROSOFT CORP CORP NOTES (CALLABLE) DTD 02/06/2017 3.300% 02/06/2027 | 594918BY9 | 2,075,000.00 | GOLDMAN | 11/06/26 | 97.41 | 2,021,276.18 | 5,641.93 | (9,307.41) | 2.71 | 4.20 |
| BANK OF AMERICA CORP CORP NOTES (CALLABL DTD 03/11/2021 1.658% 03/11/2027 | 06051GJQ3 | 2,170,000.00 | CITIGRP | 03/11/26 | 92.56 | 2,008,586.72 | 7,825.02 | (51,143.36) | 2.16 | 4.17 |
| HOME DEPOT INC CORP NOTES (CALLABLE) DTD 09/14/2017 2.800% 09/14/2027 | 437076BT8 | 1,390,000.00 | TD | 06/14/27 | 95.08 | 1,321,571.69 | 10,245.69 | (5,414.54) | 3.29 | 4.25 |
| TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 01/12/2023 4.625% 01/12/2028 | 89236TKQ7 | 980,000.00 | MKTX | | 101.13 | 991,055.38 | 23,109.38 | 22,076.18 | 3.65 | 4.32 |
| APPLE INC CORP NOTES CALLABLE DTD 05/10/2023 4.000% 05/10/2028 | 037833ET3 | 2,300,000.00 | MORGAN_ | 04/10/28 | 99.82 | 2,295,745.00 | (6,256.00) | (5,994.18) | 3.95 | 4.05 |
| JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028 | 24422EXB0 | 195,000.00 | SIEBERT | | 102.54 | 199,948.32 | 2,296.32 | 2,544.54 | 4.04 | 4.33 |
| JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028 | 24422EXB0 | 345,000.00 | SOCGEN | | 102.54 | 353,754.72 | 5,373.72 | 5,683.44 | 4.04 | 4.33 |
| JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028 | 24422EXB0 | 455,000.00 | CITIGRP | | 102.54 | 466,546.08 | 12,224.03 | 12,160.58 | 4.04 | 4.33 |
| PACCAR FINANCIAL CORP CORPORATE NOTES DTD 08/10/2023 4.950% 08/10/2028 | 69371RS64 | 975,000.00 | MKTX | | 102.76 | 1,001,940.23 | 31,532.48 | 31,196.15 | 4.11 | 4.28 |



Managed Account Fair Market Value & Analytics

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | Broker | Next Call Date | Market Price | Market Value | Unreal G/L On Cost | Unreal G/L Amort Cost | Effective Duration | YTM at Mkt |
|--|-----------|----------------------|---------|-------------------|-----------------|----------------------|-----------------------|--------------------------|-----------------------|---------------|
| Corporate Note | | | | | | | | | | |
| CITIBANK NA CORP NOTES (CALLABLE) DTD 09/29/2023 5.803% 09/29/2028 | 17325FBB3 | 1,975,000.00 | CITIGRP | 08/29/28 | 104.11 | 2,056,166.58 | 81,166.58 | 81,166.58 | 4.11 | 4.82 |
| Security Type Sub-Total | | 20,245,000.00 | | | | 19,966,425.80 | (88,602.25) | (77,688.71) | 2.85 | 4.46 |
| Certificate of Deposit | | | | | | | | | | |
| COOPERAT RABOBANK UA/NY CERT DEPOS DTD 07/20/2023 5.080% 07/17/2026 | 21684LGS5 | 1,350,000.00 | RABOBAN | | 98.08 | 1,324,070.55 | (25,929.45) | (25,929.45) | 2.37 | 5.90 |
| Security Type Sub-Total | | 1,350,000.00 | | | | 1,324,070.55 | (25,929.45) | (25,929.45) | 2.37 | 5.90 |
| Bank Note | | | | | | | | | | |
| WELLS FARGO BANK NA BANK NOTES (CALLABLE) DTD 08/09/2023 5.450% 08/07/2026 | 94988J6D4 | 1,945,000.00 | JPM_CHA | 07/07/26 | 101.66 | 1,977,285.06 | 34,949.71 | 34,624.33 | 2.42 | 4.76 |
| Security Type Sub-Total | | 1,945,000.00 | | | | 1,977,285.06 | 34,949.71 | 34,624.33 | 2.42 | 4.76 |
| Asset-Backed Security | | | | | | | | | | |
| CCCIT 2023-A1 A1 DTD 12/01/2023 5.230% 12/01/2027 | 17305EGW9 | 295,000.00 | CITIGRP | | 100.88 | 297,583.70 | 2,620.69 | 2,620.21 | 3.58 | 4.98 |
| TAOT 2023-D A3 DTD 11/14/2023 5.540% 08/15/2028 | 89239FAD4 | 265,000.00 | JPM_CHA | | 101.94 | 270,135.25 | 5,163.82 | 5,163.13 | 2.25 | 5.07 |
| CHAIT 2023-A1 A DTD 09/15/2023 5.160% 09/15/2028 | 161571HT4 | 1,045,000.00 | JPM_CHA | | 101.54 | 1,061,103.45 | 16,393.12 | 16,377.99 | 2.46 | 4.79 |
| AMXCA 2023-3 A DTD 09/19/2023 5.230% 09/15/2028 | 02582JKD1 | 1,070,000.00 | CITIGRP | | 101.72 | 1,088,388.27 | 18,436.10 | 18,433.69 | 2.46 | 4.82 |
| HART 2023-C A3 DTD 11/13/2023 5.540% 10/16/2028 | 44918CAD4 | 395,000.00 | BNP_PAR | | 101.84 | 402,281.47 | 7,333.41 | 7,332.17 | 2.26 | 5.11 |
| BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028 | 05522RDH8 | 480,000.00 | MERRILL | | 101.03 | 484,965.31 | 5,029.77 | 5,029.21 | 4.33 | 4.74 |
| Security Type Sub-Total | | 3,550,000.00 | | | | 3,604,457.45 | 54,976.91 | 54,956.40 | 2.76 | 4.86 |



Managed Account Fair Market Value & Analytics

For the Month Ending December 31, 2023

| ZONE 7 WATER AGENCY - 99350000 | | | | | | | | | | |
|--------------------------------|-------|------------------|--------|----------------|--------------|------------------|--------------------|-----------------------|--------------------|------------|
| Security Type/Description | | | | | | | | | | |
| Dated Date/Coupon/Maturity | CUSIP | Par | Broker | Next Call Date | Market Price | Market Value | Unreal G/L On Cost | Unreal G/L Amort Cost | Effective Duration | YTM at Mkt |
| Managed Account Sub-Total | | 135,681,233.05 | | | | 130,639,433.09 | (228,545.93) | (2,097,866.88) | 2.62 | 4.34 |
| Securities Sub-Total | | \$135,681,233.05 | | | | \$130,639,433.09 | (\$228,545.93) | (\$2,097,866.88) | 2.62 | 4.34% |
| Accrued Interest | | | | | | \$648,555.94 | | | | |
| Total Investments | | | | | | \$131,287,989.03 | | | | |



Managed Account Security Transactions & Interest

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

| Transaction Type | | Security Description | CUSIP | Par | Principal Proceeds | Accrued Interest | Total | Realized G/L Cost | Realized G/L Amort Cost | Sale Method |
|------------------|----------|---|-----------|--------------|--------------------|------------------|----------------|-------------------|-------------------------|-------------|
| Trade | Settle | | | | | | | | | |
| BUY | | | | | | | | | | |
| 11/28/23 | 12/07/23 | FHMS K511 A2 DTD 12/01/2023 4.860% 10/01/2028 | 3137HB3G7 | 750,000.00 | (747,845.25) | (607.50) | (748,452.75) | | | |
| 12/04/23 | 12/05/23 | US TREASURY BILL DTD 06/22/2023 0.000% 12/21/2023 | 912797FV4 | 410,000.00 | (409,036.50) | 0.00 | (409,036.50) | | | |
| 12/04/23 | 12/11/23 | CCCIT 2023-A1 A1 DTD 12/01/2023 5.230% 12/01/2027 | 17305EGW9 | 295,000.00 | (294,963.01) | 0.00 | (294,963.01) | | | |
| 12/05/23 | 12/08/23 | JP MORGAN CORP NOTES (CALLABLE) DTD 12/08/2023 5.110% 12/08/2026 | 48125LRU8 | 2,000,000.00 | (2,000,000.00) | 0.00 | (2,000,000.00) | | | |
| 12/07/23 | 12/14/23 | BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028 | 05522RDH8 | 480,000.00 | (479,935.54) | 0.00 | (479,935.54) | | | |
| 12/11/23 | 12/12/23 | US TREASURY BILL DTD 06/22/2023 0.000% 12/21/2023 | 912797FV4 | 688,000.00 | (687,093.56) | 0.00 | (687,093.56) | | | |
| 12/11/23 | 12/21/23 | FHMS K512 A2 DTD 12/01/2023 5.000% 11/01/2028 | 3137HBCF9 | 680,000.00 | (686,349.84) | (1,888.89) | (688,238.73) | | | |

| | | | | | | | | | | |
|-----------------------------------|--|--|--|---------------------|-----------------------|-------------------|-----------------------|--|--|--|
| Transaction Type Sub-Total | | | | 5,303,000.00 | (5,305,223.70) | (2,496.39) | (5,307,720.09) | | | |
|-----------------------------------|--|--|--|---------------------|-----------------------|-------------------|-----------------------|--|--|--|

| | | | | | | | | | | |
|-----------------|----------|--|-----------|--------------|------|-----------|-----------|--|--|--|
| INTEREST | | | | | | | | | | |
| 12/01/23 | 12/01/23 | MONEY MARKET FUND | MONEY0002 | 0.00 | 0.00 | 22,269.66 | 22,269.66 | | | |
| 12/01/23 | 12/25/23 | FHLMC MULTIFAMILY STRUCTURED P DTD 08/01/2017 3.117% 06/01/2027 | 3137F2LJ3 | 1,165,000.00 | 0.00 | 3,026.09 | 3,026.09 | | | |
| 12/01/23 | 12/25/23 | FHMS K064 A2 DTD 05/15/2017 3.224% 03/01/2027 | 3137BXOY1 | 1,320,000.00 | 0.00 | 3,546.40 | 3,546.40 | | | |
| 12/01/23 | 12/25/23 | FNA 2023-M6 A2 DTD 07/01/2023 4.190% 07/01/2028 | 3136BQDE6 | 1,375,000.00 | 0.00 | 4,801.04 | 4,801.04 | | | |
| 12/01/23 | 12/25/23 | FHMS K507 A2 DTD 09/01/2023 4.800% 09/01/2028 | 3137HAMS2 | 1,300,000.00 | 0.00 | 5,200.00 | 5,200.00 | | | |
| 12/01/23 | 12/25/23 | FHMS K508 A2 DTD 10/01/2023 4.740% 08/01/2028 | 3137HAQ74 | 1,325,000.00 | 0.00 | 5,233.75 | 5,233.75 | | | |
| 12/01/23 | 12/25/23 | FHMS K506 A1 DTD 09/01/2023 4.650% 05/01/2028 | 3137HAMG8 | 648,954.79 | 0.00 | 2,514.70 | 2,514.70 | | | |
| 12/01/23 | 12/25/23 | FHMS K509 A2 DTD 10/01/2023 4.850% 09/01/2028 | 3137HAST4 | 1,015,000.00 | 0.00 | 4,102.29 | 4,102.29 | | | |
| 12/01/23 | 12/25/23 | FHMS K061 A2 DTD 01/30/2017 3.347% 11/01/2026 | 3137BTUM1 | 965,000.00 | 0.00 | 2,691.55 | 2,691.55 | | | |



Managed Account Security Transactions & Interest

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

| Transaction Type | | Security Description | CUSIP | Par | Principal Proceeds | Accrued Interest | Total | Realized G/L | Realized G/L | Sale Method |
|----------------------------|----------|--|-----------|---------------|--------------------|------------------|--------------|--------------|--------------|-------------|
| Trade | Settle | | | | | | | Cost | Amort Cost | |
| INTEREST | | | | | | | | | | |
| 12/01/23 | 12/25/23 | FHMS K505 A2 DTD 07/01/2023 4.819% 06/01/2028 | 3137HACX2 | 1,350,000.00 | 0.00 | 5,421.38 | 5,421.38 | | | |
| 12/01/23 | 12/25/23 | FHMS K506 A2 DTD 09/01/2023 4.650% 08/01/2028 | 3137HAMH6 | 1,300,000.00 | 0.00 | 5,037.50 | 5,037.50 | | | |
| 12/01/23 | 12/25/23 | FHMS KJ47 A1 DTD 09/01/2023 5.272% 08/01/2028 | 3137HAMN3 | 733,214.79 | 0.00 | 3,221.26 | 3,221.26 | | | |
| 12/01/23 | 12/25/23 | FHMS K510 A2 DTD 11/01/2023 5.069% 10/01/2028 | 3137HB3D4 | 515,000.00 | 0.00 | 2,175.45 | 2,175.45 | | | |
| 12/01/23 | 12/25/23 | FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028 | 3137HAD45 | 1,082,753.89 | 0.00 | 4,310.26 | 4,310.26 | | | |
| 12/15/23 | 12/15/23 | US TREASURY NOTES DTD 06/15/2021 0.250% 06/15/2024 | 91282CCG4 | 1,550,000.00 | 0.00 | 1,937.50 | 1,937.50 | | | |
| 12/15/23 | 12/15/23 | AMXCA 2023-3 A DTD 09/19/2023 5.230% 09/15/2028 | 02582JKD1 | 1,070,000.00 | 0.00 | 4,663.42 | 4,663.42 | | | |
| 12/15/23 | 12/15/23 | HART 2023-C A3 DTD 11/13/2023 5.540% 10/16/2028 | 44918CAD4 | 395,000.00 | 0.00 | 1,945.15 | 1,945.15 | | | |
| 12/15/23 | 12/15/23 | CHAIT 2023-A1 A DTD 09/15/2023 5.160% 09/15/2028 | 161571HT4 | 1,045,000.00 | 0.00 | 4,493.50 | 4,493.50 | | | |
| 12/15/23 | 12/15/23 | TAOT 2023-D A3 DTD 11/14/2023 5.540% 08/15/2028 | 89239FAD4 | 265,000.00 | 0.00 | 1,264.20 | 1,264.20 | | | |
| 12/26/23 | 12/26/23 | WALMART INC CORP NOTES (CALLABLE) DTD 06/27/2018 3.550% 06/26/2025 | 931142ED1 | 1,300,000.00 | 0.00 | 23,075.00 | 23,075.00 | | | |
| 12/31/23 | 12/31/23 | US TREASURY NOTES DTD 06/30/2020 0.500% 06/30/2027 | 912828ZV5 | 2,750,000.00 | 0.00 | 6,875.00 | 6,875.00 | | | |
| Transaction Type Sub-Total | | | | 22,469,923.47 | 0.00 | 117,805.10 | 117,805.10 | | | |
| MATURITY | | | | | | | | | | |
| 12/05/23 | 12/05/23 | US TREASURY BILL DTD 08/08/2023 0.000% 12/05/2023 | 912797HN0 | 1,085,000.00 | 1,085,000.00 | 0.00 | 1,085,000.00 | 6,374.38 | 0.00 | |
| 12/21/23 | 12/21/23 | US TREASURY BILL DTD 06/22/2023 0.000% 12/21/2023 | 912797FV4 | 688,000.00 | 688,000.00 | 0.00 | 688,000.00 | 906.44 | 0.00 | |
| Transaction Type Sub-Total | | | | 1,773,000.00 | 1,773,000.00 | 0.00 | 1,773,000.00 | 7,280.82 | 0.00 | |



Managed Account Security Transactions & Interest

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

| Transaction Type | | Security Description | CUSIP | Par | Principal | Accrued | Total | Realized G/L | Realized G/L | Sale |
|-----------------------------|----------|--|-----------|--------------|--------------|--------------|--------------|----------------|---------------|------|
| Trade | Settle | | | | Proceeds | Interest | | Cost | Amort Cost | |
| PAYDOWNS | | | | | | | | | | |
| 12/01/23 | 12/25/23 | FHMS KJ47 A1 DTD 09/01/2023 5.272% 08/01/2028 | 3137HAMN3 | 1,007.91 | 1,007.91 | 0.00 | 1,007.91 | 0.01 | 0.00 | |
| 12/01/23 | 12/25/23 | FHMS K506 A1 DTD 09/01/2023 4.650% 05/01/2028 | 3137HAMG8 | 564.13 | 564.13 | 0.00 | 564.13 | 8.44 | 0.00 | |
| 12/01/23 | 12/25/23 | FHMS K061 A2 DTD 01/30/2017 3.347% 11/01/2026 | 3137BTUM1 | 1,442.36 | 1,442.36 | 0.00 | 1,442.36 | 44.40 | 0.00 | |
| 12/01/23 | 12/25/23 | FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028 | 3137HAD45 | 676.02 | 676.02 | 0.00 | 676.02 | 0.02 | 0.00 | |
| Transaction Type Sub-Total | | | | 3,690.42 | 3,690.42 | 0.00 | 3,690.42 | 52.87 | 0.00 | |
| SELL | | | | | | | | | | |
| 12/05/23 | 12/08/23 | JPMORGAN CHASE & CO CORP NOTES DTD 01/28/2014 3.875% 02/01/2024 | 46625HJT8 | 1,980,000.00 | 1,974,258.00 | 27,066.88 | 2,001,324.88 | (185,367.60) | (15,792.26) | FIFO |
| 12/07/23 | 12/11/23 | US TREASURY BILL DTD 06/22/2023 0.000% 12/21/2023 | 912797FV4 | 410,000.00 | 409,401.31 | 0.00 | 409,401.31 | 364.81 | 3.50 | FIFO |
| 12/07/23 | 12/11/23 | US TREASURY NOTES DTD 01/31/2022 0.875% 01/31/2024 | 91282CDV0 | 370,000.00 | 367,673.05 | 1,170.07 | 368,843.12 | 751.56 | (2,109.49) | FIFO |
| 12/11/23 | 12/12/23 | US TREASURY NOTES DTD 01/31/2022 0.875% 01/31/2024 | 91282CDV0 | 690,000.00 | 685,768.36 | 2,198.44 | 687,966.80 | 1,509.38 | (3,834.06) | FIFO |
| Transaction Type Sub-Total | | | | 3,450,000.00 | 3,437,100.72 | 30,435.39 | 3,467,536.11 | (182,741.85) | (21,732.31) | |
| Managed Account Sub-Total | | | | | (91,432.56) | 145,744.10 | 54,311.54 | (175,408.16) | (21,732.31) | |
| Total Security Transactions | | | | | (91,432.56) | \$145,744.10 | \$54,311.54 | (\$175,408.16) | (\$21,732.31) | |

DATE: February 15, 2024

TO: Finance Committee

FROM: Osborn Solitei, Treasurer/Assistant General Manager - Finance

SUBJECT: FY 2022-23 Pension Trust Fund Contribution Recommendation

SUMMARY:

- The proposed action is in support of Strategic Plan Goal G – Fiscal Responsibility: Operate the Agency in a fiscally responsible manner and Strategic Initiative No. 24 – Continue to effectively manage financial resources, which includes maintaining target levels of reserves and evaluating the Agency’s unfunded pension and other post-employment benefits (OPEB) liabilities.
- Pursuant to Resolution No. 21-05 (as amended), dated February 17, 2021, the Board established an IRS Section 115 Post-Employment Benefits Trust (the “Trust”) for the purpose of pre-funding the Agency’s pension obligation, and adopted the Funding of Long-Term Pension Liability policy (the “Policy”). The policy was reviewed and subsequently amended on March 15, 2023 (Resolution No. 23-20).
- The Policy includes three criteria for annual contributions to the Trust:
 - **Criteria 1** - All Fund 100 – Water Enterprise Operations Reserve Funds (Emergency, Operating and Reserve for Economic Uncertainties) have reached target reserve levels; and
 - **Criteria 2** - Fund 100 – Water Enterprise Operations has a positive net revenue based on audited actuals at the end of the fiscal year.
 - **Criteria 3** - In the event Criteria 2 (as defined above) is not met based on audited actuals, but the Board identifies other available funds during the budget process, the Board may make a finding to override Criteria 2 and contribute to the Trust.
- Staff has reviewed the FY 2022-23 audited actuals. Based on the audited actuals:
 - Criteria 1 has been met.
 - Criteria 2 has not been met as Fund 100 did not have positive net revenue based on audited actuals, i.e., actual expenses exceeded actual revenue.
 - Fund 100 unallocated fund balance at the end of FY 2022-23 was \$1.9M. Based on Criteria 3, if the Board identifies other available funds during the budget process, the Board may identify a portion of these funds as eligible to contribute to the Trust, and override Criteria 2.

- FY 2022-23 Adopted Budget includes a contribution to the Trust. Therefore, a contribution of \$183,380, which is equal to 1% of the FY 2022-23 audited net pension liability (\$18.3M), can be made based on Criteria 3. If the Finance Committee agrees, Staff will forward this item to the full Board for adoption at the March 2024 Board of Directors Meeting.

FUNDING:

A contribution of \$183,380 will be made from Agency funds in accordance with the Policy.

RECOMMENDED ACTION:

Discuss and provide direction.

DATE: February 15, 2024**TO:** Finance Committee**FROM:** Osborn Solitei, Treasurer/Assistant General Manager - Finance**SUBJECT:** FY 2023-24 Unaudited Second Quarter Revenue and Expenditure Report**SUMMARY:**

The proposed action is in support of Strategic Plan Goal G – Fiscal Responsibility: Operate the Agency in a fiscally responsible manner, and Strategic Plan Initiative No. 24 – Continue to effectively manage financial resources for the Agency. In carrying out these fiscal responsibilities, staff provides quarterly financial reports to the Finance Committee and the Board. This quarterly report provides a summary of unaudited revenue and expenditures, fiscal year-end projections, and explanations of any major variances through the second quarter of fiscal year (FY) 2023-24 (July 1, 2023 – December 31, 2023) for the following funds:

- › Fund 100 – Water Enterprise Operations
- › Fund 110 – State Water Facilities
- › Fund 120 – Water Enterprise Renewal/Replacement & System-Wide Improvements
- › Fund 130 – Water Enterprise Capital Expansion
- › Fund 200 – Flood Protection Operations
- › Fund 210 – Flood Protection Development Impact Fee Fund (DIF)
- › Fund 300 – Water Facilities Fund

Highlights of this report include:

- › **State Water Project Allocation** – On December 1, 2023, DWR announced an initial State Water Project (SWP) allocation of 10% for calendar year (CY) 2024. The allocation will be updated during 2024.
- › **Grant Award for Stoneridge PFAS Project** – The Agency was formally awarded \$16 million for the Stoneridge PFAS Treatment Facility project in September 2023. DWR is processing the agreement and is expected to finalize and sign the agreement by March 2024. The Agency anticipates submitting its first progress report by April 2024 and receiving reimbursement funds by the first quarter of FY 2024-25.
- › **2023 Water Revenue Bond Financing** – The Agency issued tax-exempt water revenue bonds to fund the construction phase costs for the Chain of Lakes PFAS Treatment Project and other water system improvements. The bond financing priced October 24, 2023, and closed November 7, 2023.

- › **Water Connection Fees** – The Agency is projecting to collect approximately \$10.5M in water connection fees in FY 2023-24, a 70% decline in revenue since FY 2018-19, signaling a slowdown in development. Water connection fee revenue currently funds:
 - › Agency’s water expansion projects
 - › Portion of the SBA enlargement project
 - › Portion of the Agency’s share of the Los Vaqueros Reservoir Expansion Project
 - › Agency’s share of the Sites Reservoir Project

ANALYSIS:

The Agency maintains several funds; these fund balances are grouped into two categories – Unrestricted Fund Balances and Restricted Fund Balances.

UNRESTRICTED FUNDS

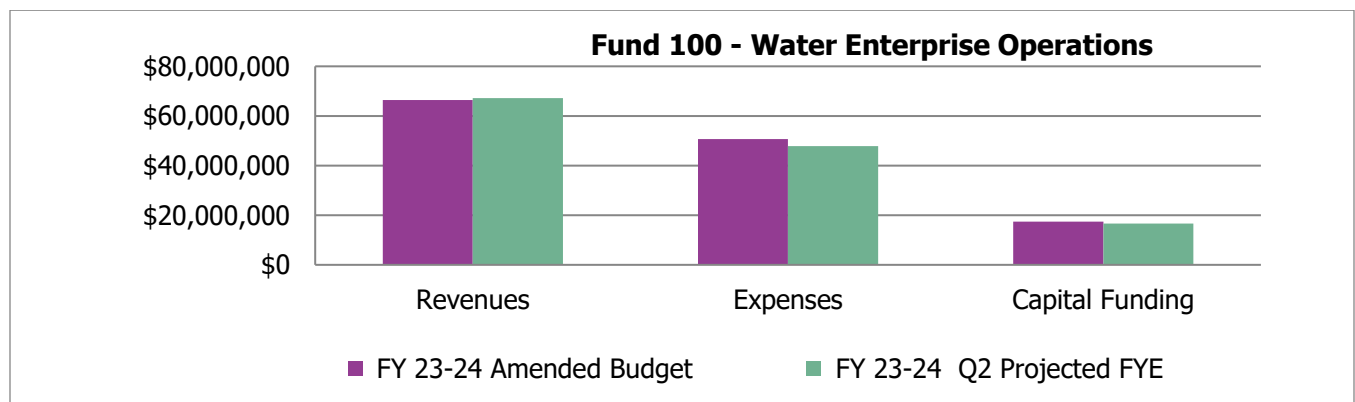
Unrestricted Fund Balance: This describes the portion of fund balance that is not restricted to use. To facilitate the discussion of reserve funds, this report will categorize the various funds as “Unrestricted Reserves” and “Restricted Reserves.” In general, Board policy can most affect Unrestricted Reserves.

Fund 100 – Water Enterprise Operations Fund

Primary Funding Source: Water Rates

The purpose of this fund is to ensure the delivery of high-quality drinking and irrigation water to the Livermore-Amador Valley. This operations and maintenance fund includes water treatment and distribution of potable (drinking) water, distribution of untreated agricultural/irrigation water, and management of surface water and groundwater. Water distributed is a combination of locally stored and imported water from the SWP. Activities include water treatment, water quality analysis, water resource management, groundwater recharge and protection, maintenance, out-of-area water banking infrastructure, and water supply planning and engineering.

The following graph shows the FY 2023-24 Amended Budget and second quarter (Q2) projected FYE revenues, expenditures, and capital funding.



Details of Revenue and Expenses for Fund 100

| Fund 100 – Water Enterprise Operations | FY 23-24 Amended Budget | FY 23-24 Q2 YTD Actual | FY 23-24 Q2 Projected FYE | Year-End Over / (Under) Budget |
|---|-------------------------|------------------------|---------------------------|--------------------------------|
| Audited Beg. Fund Balance | \$29,266,000 | \$29,369,000 | \$29,369,000 | \$103,000 |
| Revenue | | | | |
| Water Sales ¹ | 65,763,000 | 33,947,082 | 66,148,000 | 385,000 |
| Investment Earnings ² | 300,000 | 258,241 | 750,000 | 450,000 |
| Other Revenue | 332,000 | 128,504 | 332,000 | - |
| Total Revenue | 66,395,000 | 34,333,826 | 67,230,000 | 835,000 |
| Expenses | | | | |
| Labor ³ | 17,005,000 | 9,254,016 | 18,508,000 | 1,503,000 |
| Professional Services ⁴ | 4,098,000 | 830,191 | 2,950,000 | (1,148,000) |
| Legal Services | 340,000 | 173,652 | 340,000 | - |
| County Services | 1,909,000 | 376,641 | 1,909,000 | - |
| Insurance Services | 735,000 | 740,913 | 760,000 | 25,000 |
| Water ⁵ | 10,555,000 | 5,447,859 | 8,663,000 | (1,892,000) |
| Chemicals ⁵ | 4,140,000 | 1,881,389 | 3,821,000 | (319,000) |
| Utilities ⁵ | 2,509,000 | 1,095,576 | 2,410,000 | (99,000) |
| Repairs and Maintenance | 2,162,000 | 1,107,830 | 2,162,000 | - |
| Rental Services ⁶ | 104,000 | 246,071 | 309,000 | 205,000 |
| General/Other Supplies | 930,000 | 455,925 | 930,000 | - |
| Other Services (Rebates, Outreach) ⁷ | 1,015,000 | 454,627 | 802,000 | (213,000) |
| LVR Expansion Participation ⁸ | 992,000 | 495,600 | 992,000 | - |
| Debt Service ⁹ | 4,127,000 | 3,342,050 | 3,342,000 | (785,000) |
| Total Expenses | 50,621,000 | 25,902,340 | 47,898,000 | (2,723,000) |
| Capital Funding ¹⁰ | 17,424,000 | 8,316,857 | 16,651,000 | (773,000) |
| Estimated Revenue over Expenses | (1,650,000) | 114,629 | 2,681,000 | 4,331,000 |
| Ending Fund Balance | \$27,616,000 | \$29,483,629 | \$32,050,000 | \$4,434,000 |

Note: Values are rounded to the thousands and may not add due to rounding.

Revenue

- 1. Water Sales:** Year-to-date (YTD) water sales revenue reflects water sales through December 31, 2023. The projected year-end water sales revenue is more than budget primarily because of the agreement with Westside Water Districts to sell up to 12,000 AF of water through transfers (Resolution No. 23-63, dated August 16, 2023). These additional water transfers were not planned for in the budget. The projection also includes the following rate increases:
 - › Approved 5.5% increase in treated water rates for CY 2024 (Resolution No. 22-93, dated November 16, 2022)
 - › Approved increase in untreated water rate to \$263/AF (Resolution No. 23-77, dated October 18, 2023)
- 2. Investment Earnings:** Projected interest earnings exceed budget and reflect current favorable market conditions.

Expenditures

- 3. Labor:** YTD labor includes payroll through December 31, 2023. A 5% cost of living adjustment took effect June 25, 2023. As of December 31, 2023, the Agency had a 13.4% vacancy rate. The projected year-end labor costs are based on trends and exceed budget because the budget planned for a vacancy rate of 15%.
- 4. Professional Services:** Includes professional services related to water enterprise operations. The year-end projection is less than budget because of multi-year services including:
- › water supply model (~\$220K)
 - › groundwater model update (~\$150K)
 - › groundwater studies (~\$150K)
 - › energy master plan (~\$50K)
- The projection is also less than budget due to a variety of as-needed services (\$300K), and contingency (\$250K).
- 5. Water production costs:** Includes Water, Chemicals, and Utilities.
- Water:* The Agency's SWP allocation for CY 2023 was 100%. YTD expenses are primarily made up of the SWP conveyance costs including costs to send and store approximately 4,300 AF of water to Semitropic through the banking program, and the Agency's Delta Conveyance Project participation costs. The budget planned for conveying and storing water with the Semitropic and Cawelo banking programs. The year-end projection is less than budget primarily because the Agency is unable to send water to Cawelo due to significant damage to Cawelo's banking infrastructure from the 2023 storms.
- Chemicals and Utilities:* The year-end projection is less than budget because of the high-quality of surface water reducing both the amount of chemicals needed to treat the water and the energy cost to produce the water.
- 6. Rental Services:** Includes rents and leases on equipment and buildings, and beginning in FY 2023-24, includes leases on software and licenses. The YTD actuals are more than budget because of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* rule which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements. This is the first-year software and licenses have been included in this account classification.
- 7. Other Services:** This category includes organizational memberships, rebates, communication services, and public outreach. The year-end projection is less than budget primarily because of lower demand for conservation rebates.
- 8. Los Vaqueros Reservoir Expansion (LVE) Project Participation:** This category includes the Agency's participation costs in the development phase of the LVE project. Per Resolution No. 23-55, dated July 19, 2023, the Board approved Multiparty Agreement No. 5, committing \$1.239 million in funding to the project through June 30, 2024. The funding is split 80/20 between Funds 100 and 130.

9. Debt Service: Includes annual debt service payments for the following Agency issued Livermore Valley Water Financing Water Revenue Bonds:

- › 2018 Series A, \$64,010,000 for Ozone project and Cawelo prepayment.
- › 2023 Series A, \$28,795,000 for Chain of Lakes PFAS treatment facility project.

The overall year-end projection is less than budget because the actual January 1, 2024, interest payment on the 2023 Series A Bonds is less than budget.

10. Capital Funding: The projected transfer is less than budget as the budget assumes a 6% annual adjustment, and the actual Engineering News Record Construction Cost Index (ENRCCI) adjustment from June 2022 to June 2023 was 0.1%.

Water Supply Conditions

The SWP's current allocation for CY 2024 is 10% (see the Monthly Water Inventory and Water Budget Update in the February 21, 2024, Board Agenda packet). The United States Drought Monitor indicates no drought in most of California

(<https://droughtmonitor.unl.edu/CurrentMap/StateDroughtMonitor.aspx?CA>).

Reserves

Per Strategic Plan Initiative No. 24, the Agency shall maintain target levels of reserves. As of December 31, 2023, Fund 100 reserves are fully funded at the target level. The projected fiscal year-end reserves in excess of targets (unallocated fund balance) is about \$4.4M. There are a variety of options for use of unallocated fund balance including, but not limited to:

- › Funding reserve(s) at the maximum level (e.g., Reserve for Economic Uncertainty),
- › Offsetting future rate increases,
- › Funding the annual contribution to the IRS Section 115 Pension Trust per the adopted Board policy (equal to 1% of the audited fiscal year net pension liability), and
- › Funding for financial impacts of future unforeseen economic conditions (e.g., dry year water transfers).
- › Funding for capital projects (e.g., Mocho Wellfield PFAS treatment facility and/or water supply reliability projects).

The table below compares Minimum, Target, and Maximum reserves to projected fiscal year-end reserves.

| Fund 100 Reserves | Minimum | Target | Maximum | FY 23-24 Q2 Projected FYE | Actual Above / (Below) Target |
|---|---------------------|---------------------|---------------------|----------------------------------|--------------------------------------|
| Operating Reserves ¹ | \$8,214,000 | \$12,321,000 | \$16,428,000 | \$12,321,000 | - |
| Emergency Reserves ² | 6,617,000 | 8,271,000 | 9,925,000 | 8,271,000 | - |
| Reserve for Economic Uncertainties ³ | 3,621,000 | 5,432,000 | 7,243,000 | 5,432,000 | - |
| Subtotal | \$18,452,000 | \$26,024,000 | \$33,596,000 | \$26,024,000 | - |
| Pension Trust Fund ⁴ | | | | 1,599,000 | - |
| Projected Unallocated Fund Balance ⁵ | | | | 4,427,000 | 4,427,000 |
| Total Reserves | \$18,452,000 | \$26,024,000 | \$33,596,000 | \$32,050,000 | \$4,427,000 |

Note: Values are rounded to the thousands and may not add due to rounding.

¹The FY 23-24 Q2 projected FYE Operating Reserve is funded at the target level of 90 days of operating expenses.

²The FY 23-24 Q2 projected FYE Emergency Reserve is funded at the target level of 2.5% of Water Enterprise assets.

³The FY 23-24 Q2 projected FYE Reserve for Economic Uncertainties is funded at 15% of FY 23-24 budgeted volume-based water sales revenue.

⁴The FY 23-24 Q2 projected FYE Pension Trust Fund reflects a balance of \$1.6M.

⁵The FY 23-24 Q2 projected FYE unallocated fund balance is \$4.4M.

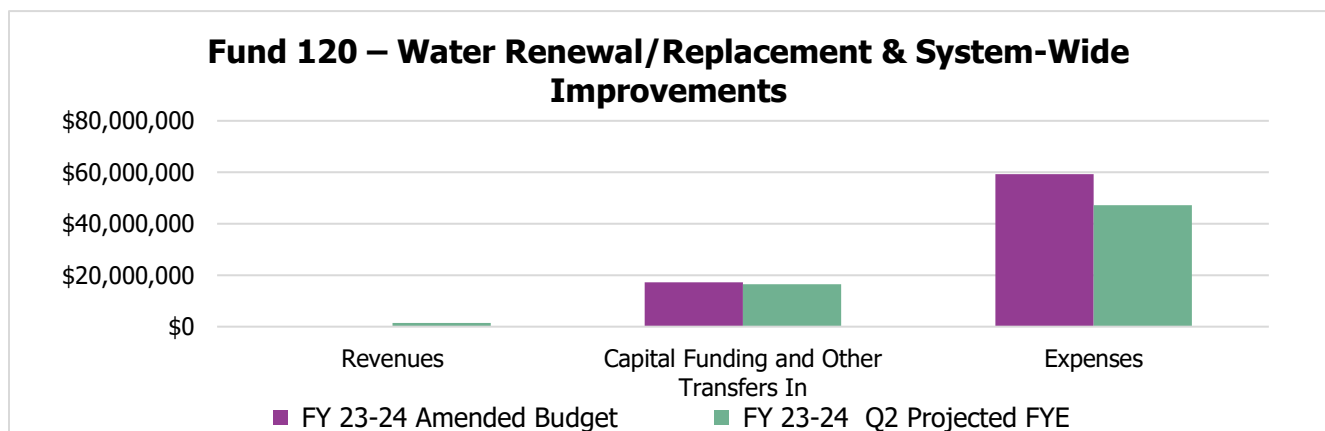
Fund 120 – Water Renewal/Replacement & System-Wide Improvements

This is a sub-fund of the Fund 100 – Water Enterprise Operations Fund

Primary Funding Source: Water Rates via a transfer from Fund 100

The purpose of this fund is to ensure funding is available for capital renewal, replacement, and system-wide improvement projects needed to keep the current water treatment and delivery systems functioning effectively. Fund 120 pays for capital projects as outlined in the Agency's asset management program and the capital improvement program.

The following graph shows the FY 2023-24 Amended Budget and Q2 projected fiscal year-end revenue, capital funding, and expenditures.



Note: When expenses exceed revenue, capital reserves (working capital) are being expended.

Details of Revenue and Expenses for Fund 120

| Fund 120 - Water Enterprise Renewal/Replacement & Systemwide Improvements | FY 23-24 Amended Budget | FY 23-24 Q2 YTD Actual | FY 23-24 Q2 Projected FYE | Year-End Over/(Under) Budget |
|---|-------------------------------|------------------------------|---------------------------------|------------------------------------|
| Audited Beginning Fund Balance | \$44,990,000 | \$45,119,000 | \$45,119,000 | \$129,000 |
| 2023 Water Revenue Bond Proceeds | 29,665,000 | 29,665,000 | 29,665,000 | - |
| Adjusted Beginning Fund Balance | 74,655,000 | 74,784,000 | 74,784,000 | 129,000 |
| | | | | |
| Revenue | | | | |
| Investment Earnings ¹ | 100,000 | 628,856 | 1,478,000 | 1,378,000 |
| Other Revenue | 2,000 | 2,212 | 2,000 | - |
| Total Revenue | 102,000 | 631,068 | 1,480,000 | 1,378,000 |
| | | | | |
| Other Financing Sources | | | | |
| Capital Funding ² | 17,214,000 | 8,220,302 | 16,441,000 | (773,000) |
| Total Other Financing Sources | 17,214,000 | 8,220,302 | 16,441,000 | (773,000) |
| | | | | |
| Expenses | | | | |
| Labor ³ | 1,706,000 | 678,893 | 1,706,000 | - |
| Capital Projects ⁴ | 57,579,000 | 7,990,424 | 45,469,000 | (12,110,000) |
| Total Expenses | 59,285,000 | 8,669,318 | 47,175,000 | (12,110,000) |
| Estimated Revenue/Other Financing Sources over Expenses | (41,969,000) | 182,053 | (29,254,000) | 12,715,000 |
| Ending Fund Balance | \$32,686,000 | \$74,966,053 | \$45,530,000 | \$12,844,000 |

Note: Values are rounded to the thousands and may not add due to rounding.

Revenue

- Investment Earnings:** Projected year-end interest earnings reflect favorable market conditions.
- Capital Funding:** The projected transfer is less than budget as the budget assumes a 6% annual adjustment, and the actual Engineering News Record Construction Cost Index (ENRCCI) adjustment from June 2022 to June 2023 was 0.1%.

Expenses

- Labor costs:** YTD labor includes payroll through December 31, 2023. The year-end projection is reflective of upcoming project work through the end of the fiscal year.
- Capital Projects:** The year-end projection reflects multi-year projects currently in the construction phase or nearing completion including:
 - › Stoneridge PFAS Treatment Facility,
 - › Chain of Lakes PFAS Treatment Facility,
 - › Wells & MGD Electrical Upgrades/Replacement Project, and
 - › MGD Concentrate Conditioning Project.

Reserves

The table below compares the FY 2023-24 Amended Budget ending reserve balances to the Q2 projected ending reserve balances.

| Fund 120 Reserves | FY 23-24 Amended Budget FYE | FY 23-24 Q2 Projected FYE |
|--|-----------------------------|---------------------------|
| Debt Service Rate Stabilization Reserve | \$6,300,000 | \$6,300,000 |
| Pension Trust | 46,000 | 41,000 |
| Designated for Capital Projects Reserve ¹ | 26,340,000 | 39,189,000 |
| Total Reserve | \$32,686,000 | \$45,530,000 |

¹This reserve is designated for capital projects to fund the Fund 120 CIP projects the Agency has committed to over the next five years. The Zone 7 Board adopted the Five-Year Water System CIP on June 21, 2023 (Resolution No. 23-50).

Below is a summary of the major projects in progress. For more information on capital projects, see the Capital Projects Status Report in the February 21, 2024, Board meeting agenda packet.

| Project | Total Estimated Cost | Fund 120 Share | Fund 120 Cash Financed | Fund 120 Bond Financing | Status | In-Service |
|---|----------------------|----------------|------------------------|-------------------------|------------------------|-------------|
| Asset Management Program and Ten-Year CIP Update | \$745K | \$575K | \$575K | \$- | Planning | Fall 2024 |
| Valley Booster Pump Station Project | \$7.2M | \$7.2M | \$7.2M | \$- | Substantially complete | Fall 2023 |
| DVWTP Roadway/Parking Lot Repairs and Post Ozone Project | \$2.8M | \$2.8M | \$2.8M | \$- | Construction | Spring 2024 |
| DVWTP Polymer Mixing System Replacement Project | \$785K | \$785K | \$785K | \$- | Substantially Complete | Spring 2024 |
| Pipeline Inspection Study | \$250K | \$250K | \$250K | \$- | Study In-process | Summer 2024 |
| MGDP Concentrate Conditioning Project | \$7.8M | \$7.8M | \$7.8M | \$- | Construction | Spring 2024 |
| Chain of Lakes PFAS Treatment Facility Project ¹ | \$24.4M | \$24.4M | \$2.4M | \$22M ¹ | Design complete | Fall 2024 |
| Stoneridge Well PFAS Project | \$16.3M | \$16.3M | \$16.3M | \$- | Construction | Spring 2024 |
| Wells & MGDP Electrical Upgrades/Replacement Project | \$7.3M | \$7.3M | \$7.3M | \$- | Construction | Spring 2025 |
| Electric Vehicle Chargers | \$651K | \$651K | \$651K | \$- | Planning | Winter 2024 |
| PLC Modernization at DVWTP, MGDP, and PPWTP | \$700K | \$700K | \$700K | \$- | In-process | Summer 2024 |
| SCADA Core Switch Replacement | \$400K | \$400K | \$400K | \$- | In-process | Summer 2024 |
| Total | \$69.3M | \$69.2M | \$47.2M | \$22M | | |

¹ The remaining ~\$8M in bond proceeds are eligible to be used for other water system improvements.

Other Unrestricted Funds

Fund 300 - Water Facilities Fund was originally used for Chain of Lakes mitigation and planning reserve, quarry discharge exports, miscellaneous fees and deposits, and permit inspection deposits.

| Fund | FY 2023-24 Beginning Audited Fund Balance | FY 2023-24 Q2 Unaudited Actual Interest Income & Misc. Deposits | FY 2023-24 Q2 Unaudited Actual Transfers Out ^{A,B} | FY 2023-24 Q2 Projected Ending Fund Balance |
|-------------------------------------|---|--|---|--|
| Fund 300 - Water Facilities Fund | 1,117,000 | - | (1,117,000) | - |

Fund 300 has been subsequently authorized by the Board for the Sites Reservoir Project and is expected to have a balance of \$0 by June 30, 2024:

- Per Resolution No. 22-05 dated January 19, 2022, the Board authorized the Third Amendment to the 2019 Sites Reservoir Project Agreement at 10,000 acre-feet of participation in an amount not-to-exceed \$4M through 2024.

RESTRICTED FUNDS ANALYSIS

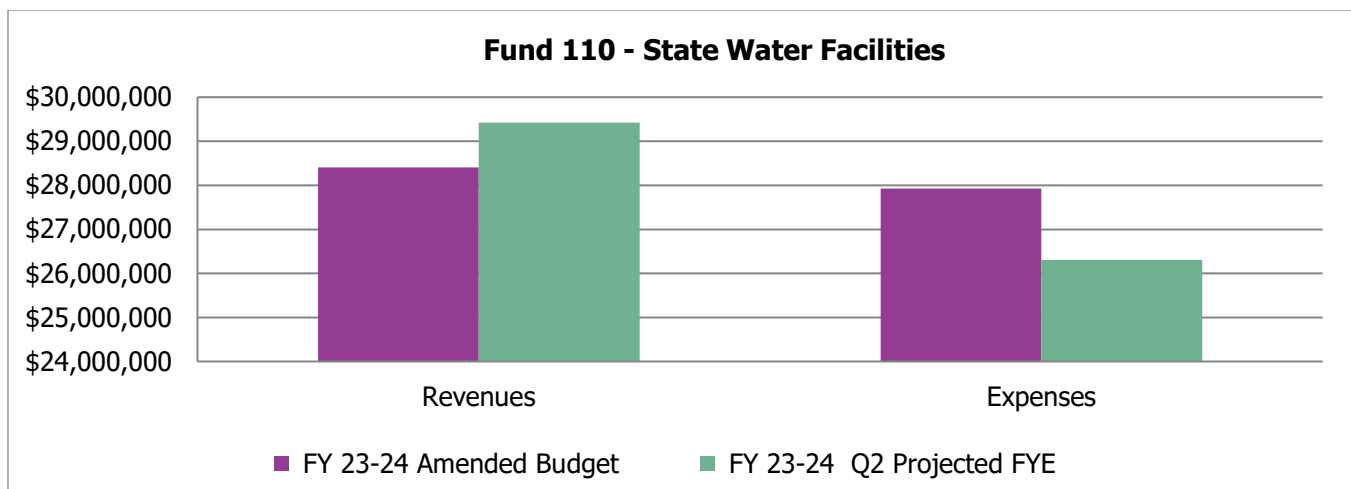
Restricted Fund Balance: Includes the portion of the fund balance that can only be spent for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers. It also includes a legally enforceable requirement that the resources can only be used for specific purposes enumerated in the law. The restricted funds are not available to serve as operating or emergency reserves. These primarily include property taxes, connection and developer fees received for capital projects, debt service requirements, and fees charged for the provision of future water resources.

Fund 110 – State Water Facilities Fund

Primary Funding Source: Property Taxes

Fund 110 funds the fixed cost payment to DWR to import water to the Agency including repayment of voter-approved, state-incurred, long-term debt.

The following graph shows the FY 2023-24 Amended Budget and Q2 projected fiscal year-end revenue and expenditures.



When expenses exceed revenue, operating reserves (working capital) are being expended.

Details of Revenue and Expenses for Fund 110

| Fund 110 - State Water Facilities | FY 23-24 Amended Budget | FY 23-24 Q2 YTD Actual | FY 23-24 Q2 Projected FYE | Year-End Over / (Under) Budget |
|-----------------------------------|-------------------------|------------------------|---------------------------|--------------------------------|
| Audited Beg. Fund Balance | \$47,489,000 | \$48,613,000 | \$48,613,000 | \$1,124,000 |
| Revenue | | | | |
| Dougherty Valley Surcharge | 2,350,000 | - | 2,350,000 | - |
| Property Taxes ¹ | 22,201,000 | 11,283,307 | 22,201,000 | - |
| DWR Refunds | 3,675,000 | 1,224,995 | 3,675,000 | - |
| Investment Earnings ² | 180,000 | 557,627 | 1,200,000 | 1,020,000 |
| Total Revenue | 28,406,000 | 13,065,929 | 29,426,000 | 1,020,000 |
| Expenses³ | 27,923,000 | 21,261,707 | 26,308,000 | (1,615,000) |
| Estimated Revenue over Expenses | 483,000 | (8,195,778) | 3,118,000 | 2,635,000 |
| Ending Fund Balance | \$47,972,000 | \$40,417,222 | \$51,731,000 | \$3,759,000 |

Note: Values are rounded to the thousands.

Revenue

This is a pass-through fund for fixed charges associated with the SWP, assessed as a property tax override.

- Property Taxes:** YTD revenue includes the first installment of property tax. The second installment is due in April. The revenue projection is based on the budget as there is neither additional information nor significant trends available to change the fiscal year-end revenue projection at this time.
- Investment Earnings:** Projected year-end interest earnings reflect favorable market conditions.

Expenses

3. Expenditures: Include DWR fixed charges that occur both monthly and semi-annually. Transportation capital charges and the improvement portion of the SBA Improvement and Enlargement Project debt service payments are paid in January/July and March/September, respectively. The year-end projection reflects anticipated payments through June 2024 based on the 2024 Statement of Charges.

Reserves

The following table compares the FY 2023-24 Amended Budget ending reserve balance to the Q2 projected ending reserve balance and maximum reserve. Although the year-end projected reserve balance exceeds the reserve maximum, SWP costs are highly volatile and unpredictable. Based on the SWP Budget Report for CYs 2024 and 2025, the total capital need for the next 12 years is estimated to be \$6.0 billion, of which the Agency is responsible for its proportional share.

| Fund 110 Reserves | FY 23-24 Amended Budget FYE | FY 23-24 Q2 Projected FYE | Reserve Maximum |
|-----------------------|--------------------------------|------------------------------|--------------------|
| Total Reserve Balance | \$47,972,000 | \$51,731,000 | \$30,715,000 |

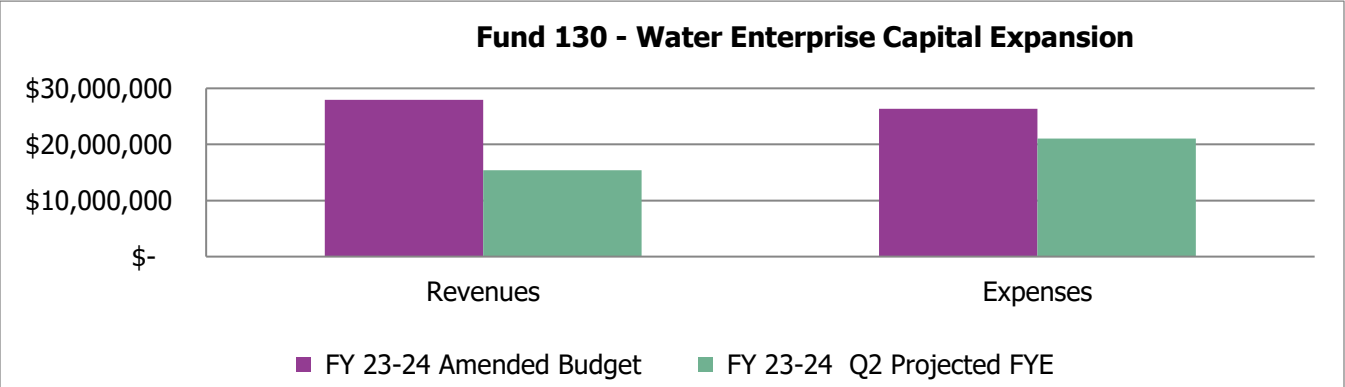
Note: Values are rounded to the thousands.

Fund 130 – Water Enterprise Capital Expansion

Primary Funding Source: Water Connection Fees.

The purpose of this fund is to ensure the Agency can meet the future needs of new customers with development paying its own way. The program is primarily intended to provide funding for new or expanded facilities and additional water supplies to serve the additional capacity requirements of development. Most expenses in this fund are fixed (i.e., bond payment obligations for debt incurred by others to increase capacity, such as the enlargement portion of the South Bay Aqueduct Improvement and Enlargement Project). Developer fees can only be used for projects related to water system expansion.

The following graph shows the FY 2023-24 Amended Budget and Q2 projected FYE revenue and expenditures.



Details of Revenue and Expenses for Fund 130

| Fund 130 - Water Enterprise Capital Expansion | FY 23-24 Adopted Budget | FY 23-24 Q2 YTD Actual | FY 23-24 Q2 Projected FYE | Year-End Over/(Under) Budget |
|---|-------------------------|------------------------|---------------------------|------------------------------|
| Audited Beg. Fund Balance | \$70,933,000 | \$70,387,000 | \$70,387,000 | (\$546,000) |
| Revenue | | | | |
| Connection Fees ¹ | 24,812,000 | 5,282,835 | 10,500,000 | (14,312,000) |
| Investment Earnings ² | 140,000 | 921,288 | 1,900,000 | 1,760,000 |
| DWR Refunds | 3,000,000 | 1,514,942 | 3,000,000 | - |
| Total Revenue | 27,952,000 | 7,719,065 | 15,400,000 | (12,552,000) |
| Expenses | | | | |
| Labor ⁴ | 349,000 | 105,399 | 211,000 | (138,000) |
| Professional Services | 152,000 | 111,691 | 150,000 | (2,000) |
| Water ⁵ | 16,850,000 | 12,264,945 | 16,604,000 | (246,000) |
| Capital Projects ⁶ | 3,435,000 | 189,665 | 932,000 | (2,503,000) |
| Debt Service | 1,089,000 | 760,942 | 1,089,000 | - |
| Total Expenses | 21,875,000 | 13,432,641 | 18,986,000 | (2,889,000) |
| Estimated Revenue over Expenses | 6,077,000 | (5,713,576) | (3,586,000) | (9,663,000) |
| Ending Fund Balance | \$77,010,000 | \$64,673,424 | \$66,801,000 | (\$10,209,000) |

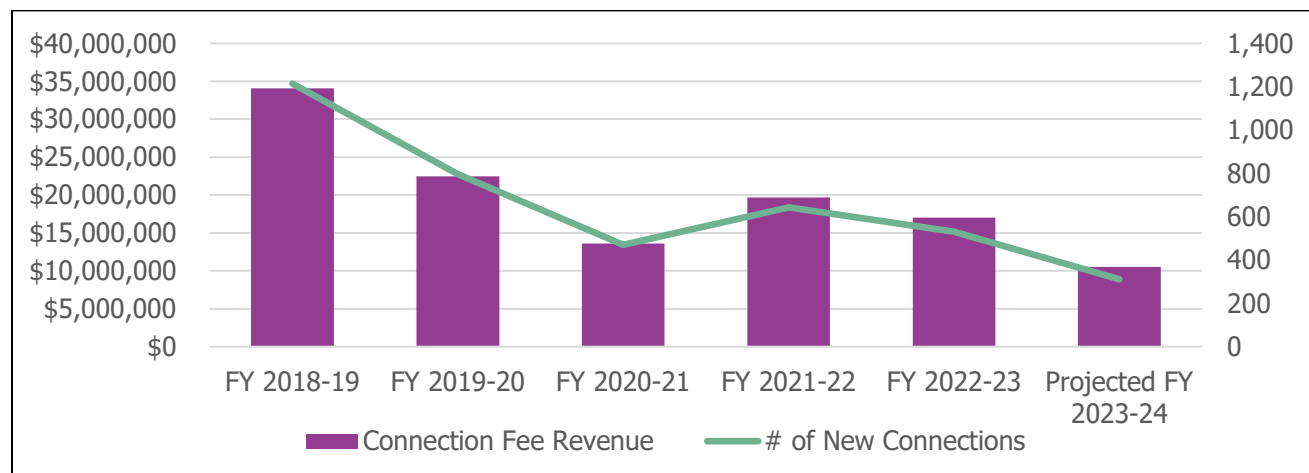
Note: Values are rounded to the thousands and may not add due to rounding.

Revenue

The primary source of revenue is connection fees.

- 1. Connection Fees:** YTD revenue is through November 2023 and comprised of approximately 159 new connections, primarily from the DSRSD service area. The year-end revenue projection is approximately \$14M less than budget based on updated projections from the Retailers.

Connection fee revenue has continued to decline since 2019. Staff continue to monitor the revenue source as most expenses in this fund are fixed payments. The following graph and table illustrate the declining trend in connection fee revenue and new connections since FY 2018-19.



| | FY 2018-19 | FY 2019-20 | FY 2020-21 | FY 2021-22 | FY 2022-23 | Projected FY 2023-24 |
|------------------------|--------------|--------------|--------------|--------------|--------------|-------------------------|
| Connection Fee Revenue | \$34,068,092 | \$22,461,926 | \$13,609,527 | \$19,669,510 | \$17,023,627 | \$10,500,000 |
| # of New Connections | 1,214 | 796 | 470 | 643 | 530 | 311 |

2. Investment Earnings: Year-end projection reflects a higher-than-expected rate of return based on current favorable market conditions.

Expenses

3. Labor: YTD labor includes payroll through December 31, 2023, for water expansion projects. The year-end projection is based on YTD trends.

4. Water: YTD expenses are made up of the first installment of the SBA debt service payments, due annually in September. The year-end projection includes the second installment payment, due in March.

5. Capital Projects: The year-end projection is less than budget due to the multi-year nature of projects including:

- › Well Master Plan (~\$800K),
- › Capital Improvement Program Update (~\$100K),
- › COL Conveyance system (~\$135K), and
- › COL Facilities and Improvements (~\$700K).

Reserves

The table below compares the FY 2023-24 Amended Budget ending reserve balances to the Q2 projected ending reserve balances.

| Fund 130 Reserves | FY 23-24 Amended Budget FYE | FY 23-24 Q2 Projected FYE |
|--|-----------------------------|---------------------------|
| Sinking Funds ¹ | \$26,933,000 | \$26,933,000 |
| Debt Service Rate Stabilization Reserve | 2,300,000 | 2,300,000 |
| Designated for Capital Projects Reserve ² | 47,761,000 | 37,554,000 |
| Pension Trust Fund | 16,000 | 14,000 |
| Total Reserves | \$77,010,000 | \$66,801,000 |

¹This reserve was established by the Board to fund debt service payments that continue after build-out.

² This reserve is designated for capital projects to fund the Fund 120 CIP projects the Agency has committed to over the next five years. The Zone 7 Board adopted the Five-Year Water System CIP on June 21, 2023 (Resolution No. 23-50).

Below is a summary of the Agency's major projects in progress or recently completed.

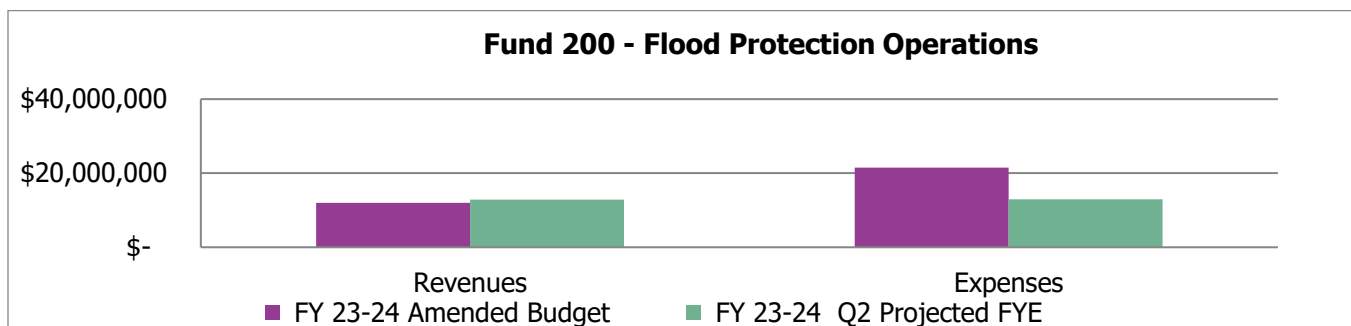
| Project | Total Cost | Fund 130 Share | Status | In-service |
|-------------------------------|-----------------|----------------|----------|------------|
| Ten-Year CIP Update | \$300K | \$150K | Planning | Fall 2024 |
| Non-discretionary obligations | ~\$20M annually | ~\$20M | n/a | ongoing |

Fund 200 – Flood Protection Operations

Primary Funding Source: Property Taxes.

This fund uses property taxes to provide general administration, maintenance, and operation of regional flood protection facilities. The Agency manages a watershed of 425 square miles in eastern Alameda County, receiving drainage from parts of Contra Costa, Santa Clara, and San Joaquin Counties. Approximately 37 miles of flood control channels and regional drainage facilities are owned and maintained by the Agency. This fund finances a comprehensive year-round maintenance program that includes repairing slides and erosion, refurbishing access roads and associated drainage ditches, installing and repairing gates and fences, and maintaining landscaped areas. This fund pays for renewal/replacement and improvement projects for the existing flood protection system.

The following graph shows FY 2023-24 Amended Budget and Q2 projected FYE revenue and expenditures.



Details of Revenue and Expenses for Fund 200

| Fund 200 - Flood Protection Operations | FY 23-24 Amended Budget | FY 23-24 Q2 YTD Actual | FY 23-24 Q2 Projected FYE | Year-End Over/(Under) Budget |
|--|-------------------------|------------------------|---------------------------|------------------------------|
| Audited Beg. Fund Balance | \$23,923,000 | \$23,917,000 | \$23,917,000 | (\$6,000) |
| Revenue | | | | |
| Property Taxes ¹ | 11,344,000 | 6,271,347 | 11,630,000 | 286,000 |
| Investment Earnings ² | 215,000 | 253,200 | 550,000 | 335,000 |
| Other Revenue ³ | 436,000 | 656,682 | 657,000 | 221,000 |
| Total Revenue | 11,995,000 | 7,181,229 | 12,837,000 | 842,000 |
| Expenses | | | | |
| Labor ⁴ | 3,075,000 | 1,189,779 | 2,719,000 | (356,000) |
| Professional Services ⁵ | 5,450,000 | 741,365 | 3,850,000 | (1,600,000) |
| Repairs and Maintenance ⁶ | 11,876,000 | 1,879,196 | 5,250,000 | (6,626,000) |
| Rental Services | 50,000 | 3,399 | 10,000 | (40,000) |
| Other Services/ Supplies | 1,095,000 | 454,927 | 1,095,000 | - |
| Total Expenses | 21,546,000 | 4,268,665 | 12,924,000 | (8,622,000) |
| Estimated Revenue over Expenses | (9,551,000) | 2,912,564 | (87,000) | 9,464,000 |
| Ending Fund Balance | \$14,372,000 | \$26,829,564 | \$23,830,000 | \$9,458,000 |

Note: Values are rounded to the thousands and may not add due to rounding.

Revenue

The primary source of revenue for this fund is property taxes.

- 1. Property Tax:** YTD revenue includes the first installment of property tax. The second installment is due in April. The revenue projection has been revised based on the property tax estimate provided by the County.
- 2. Investment Earnings:** Year-end projection reflects a higher-than-expected rate of return based on current favorable market conditions.
- 3. Other Revenue:** YTD revenue is primarily made up of funds received from DWR for the Stanley Reach improvements to satisfy DWR's project mitigation. The year-end projection is equal to the YTD actual.

Expenses

Per Resolution No. 23-06, dated February 1, 2023, the Board declared a local state of flood emergency within its service area. Subsequent Resolutions (No. 23-07, No. 23-08, 23-80) were passed to fund emergency repair work and a need assessment in the amount of \$3.7M. These additional appropriations are reflected in the professional services and repairs and maintenance year-end projections.

- 4. Labor:** YTD labor includes payroll through December 31, 2023. Year-end projection is based on trends.
- 5. Professional Services:** Year-end projection is less than budget due to multi-year services such as the Alamo Creek Project planning and design services to repair damages to flood protection facilities, as-needed services, and contingency.
- 6. Repairs and Maintenance:** Includes flood engineering repair services and additional flood emergency projects. The year-end projection is less than budget due to multi-year projects such as the Alamo Creek Project and upcoming emergency flood repairs.

Reserves

The table below compares the FY 2023-24 Amended Budget ending reserve balance to the Q2 projected ending reserve balance.

| Fund 200 Reserves | FY 23-24 Amended Budget | FY 23-24 Q2 Projected FYE |
|---|----------------------------|------------------------------|
| Operating Reserves | \$1,800,000 | \$1,800,000 |
| Designated for Capital Projects Reserve | 12,390,000 | 21,848,000 |
| Section 115 Pension Trust | 182,000 | 182,000 |
| Total Reserves | \$14,372,000 | \$23,830,000 |

The Agency is in the process of developing and implementing a Flood Management Plan to direct the Agency's future flood maintenance activities and capital projects. Per Resolution No. 22-73, dated August 17, 2022, the Board adopted the Flood Management Plan Phase 1. Flood Management Plan Phase 2A professional and project management services were approved at the February 15, 2023, Board meeting.

The following table lists major projects that are in progress or recently completed.

| Project | Total Cost | Fund 200 Share | Status | In-service |
|---|------------|----------------|------------|-------------|
| Alamo Creek Bank Stabilization Pilot Project ¹ | \$6.1M | \$1.5M | Design | Winter 2025 |
| Phase 1 2022-23 Storm Damage Repairs | TBD | TBD | In-process | TBD |
| | | | | |

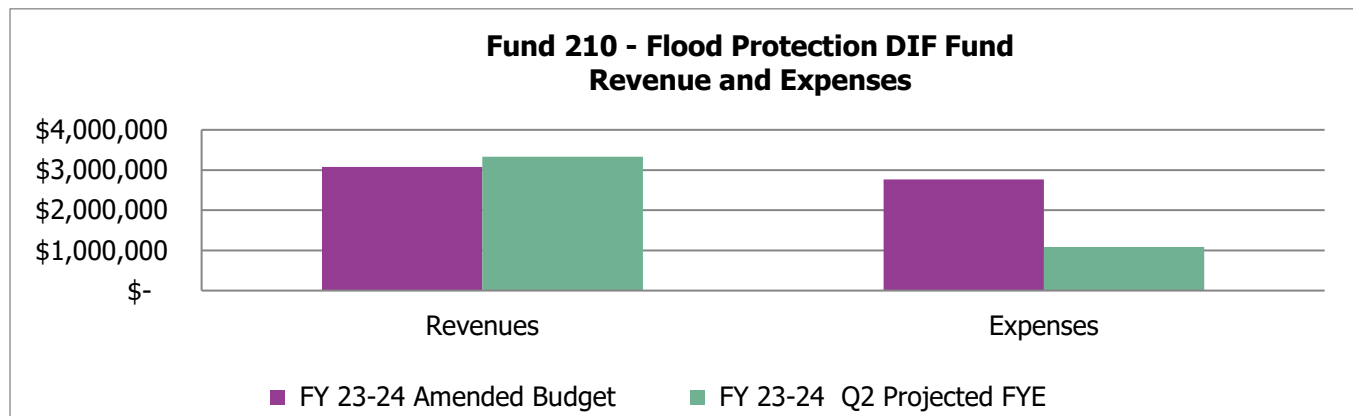
¹DWR has awarded up to \$4.6M in grants through the Floodplain Management, Protection, and Risk Awareness (FMPRA) Grant program.

Fund 210 – Flood Protection Development Impact Fee Fund

Primary Funding Source: Development Impact Fees.

The purpose of this fund is to ensure the Agency can meet future needs for expansion-related flood control facilities. The program is primarily intended to provide funding for any flood control facilities required for new development. Funds are expended on the planning, design, lands and right of way acquisition, environmental review, permitting, and construction for drainage projects.

The following graph shows the FY 2023-24 Amended Budget and Q2 projected FYE revenue and expenditures.



Details of Revenue and Expenses for Fund 210

| Fund 210 - Flood Protection DIF Fund | FY 23-24 Amended Budget | FY 23-24 Q2 YTD Actual | FY 23-24 Q2 Projected FYE | Year-End Over/(Under) Budget |
|--------------------------------------|-------------------------|------------------------|---------------------------|------------------------------|
| Audited Beg. Fund Balance | \$75,211,000 | \$75,845,000 | \$75,845,000 | \$634,000 |
| Revenue | | | | |
| Development Fees ¹ | 2,500,000 | 547,174 | 1,313,000 | (1,187,000) |
| Investment Earnings | 553,000 | 734,808 | 1,900,000 | 1,347,000 |
| Other Revenue | 25,000 | 117,532 | 118,000 | 93,000 |
| Total Revenue | 3,078,000 | 1,399,514 | 3,331,000 | 253,000 |
| Expenses | | | | |
| Labor ² | 275,000 | 8,466 | 17,000 | (258,000) |
| Capital Projects ³ | 2,488,000 | 150,365 | 1,067,000 | (1,421,000) |
| Total Expenses | 2,763,000 | 158,831 | 1,084,000 | (1,679,000) |
| Revenue over Expenses | 315,000 | 1,240,683 | 2,247,000 | 1,932,000 |
| Estimated Ending Fund Balance | \$75,526,000 | \$77,085,683 | \$78,092,000 | \$2,566,000 |

Note: Values are rounded to the thousands and may not add due to rounding.

Revenue

- 1. Development Impact Fees:** Revenue is primarily generated from development impact fees and interest earnings. The year-end projection is based on trends.
- 2. Investment Earnings:** Year-end projection reflects a higher-than-expected rate of return based on current favorable market conditions.

Expenses

- 3. Labor:** Includes staff labor through December 31, 2023. Projection is based on YTD trends.
- 4. Capital Projects:** Includes professional services, projects planned in the FY 2023-24 budget, and multi-year projects including the Flood Management Plan Phase 2.

Reserves

The following table and chart compare the FY 2023-24 Amended Budget ending reserve balance to the Q2 projected ending reserve balance.

| Fund 210 Reserves | FY 23-24 Amended Budget FYE | FY 23-24 Q2 Projected FYE |
|--------------------------------|-----------------------------|---------------------------|
| Total Capital Projects Reserve | \$75,526,000 | \$78,092,000 |

The Agency is in the process of developing and implementing a Flood Management Plan to direct the Agency's future flood maintenance activities and capital projects. Per Resolution No. 22-73, dated August 17, 2022, the Board adopted the Flood Management Plan Phase 1. Flood Management Plan Phase 2A professional and project management services were approved at the Board meeting on February 15, 2023.