



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by [Signature] Date 9/10/09
General Manager

DATE: September 11, 2009
TO: General Manager
FROM: Finance Manager
SUBJECT: Report of Investments for the Quarter Ending June 30, 2009

RECOMMENDATION: That the Board Accept Report of Investments for the quarter ending June 30, 2009.

BACKGROUND

The District's Investment Policy states the permitted investment instrument is the Local Agency Investment Fund (LAIF) administered by the California State Treasurer. (See Attachment A for a description of the program).

SUMMARY

On June 30, 2009, the Monterey Regional Waste Management District investment portfolio contained \$9,676,597.81 held in the Local Agency Investment Fund (LAIF). The LAIF Performance Report for the quarter ended June 30, 2009 (Attachment B) and the LAIF Remittance Advice (Attachment C) showed an Interest/Apportionment Rate of 1.51% and the District earned income for the quarter was \$34,922.78. The investment portfolio is in compliance with all provisions of the adopted Investment Policy and with applicable provisions of State statutes. The source of market values and prices was California State Treasurer. The report includes separate schedules showing market valuations and maturity ranges.

[Signature]

Chuck Rees

Attachments



Bill Lockyer
California State Treasurer

Local Agency Investment Fund Program Description

The Local Agency Investment Fund (LAIF), is a voluntary program created by statute; began in 1977 as an investment alternative for California's local governments and special districts and it continues today under Treasurer Bill Lockyer's administration. The enabling legislation for the LAIF is Section 16429.1 et seq. of the California Government Code.

This program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the Treasurer's Office investment staff at no additional cost to the taxpayer. This in-house management team is comprised of civil servants who have each worked for the State Treasurer's Office for an average of 20 years.

The LAIF is part of the Pooled Money Investment Account (PMIA). The PMIA began in 1955 and oversight is provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. The PMIB members are the State Treasurer, Director of Finance, and State Controller.

The Local Investment Advisory Board (LIAB) provides oversight for LAIF. The Board consists of five members as designated by statute. The Chairman is the State Treasurer or his designated representative. Two members qualified by training and experience in the field of investment or finance, and the State Treasurer appoints two members who are treasurers, finance or fiscal officers or business managers employed by any county, city or local district or municipal corporation of this state. The term of each appointment is two years or at the pleasure of the appointing authority.

All securities are purchased under the authority of Government Code Section 16430 and 16480.4. The State Treasurer's Office takes delivery of all securities purchased on a delivery versus payment basis using a third party custodian. All investments are purchased at market and a market valuation is conducted monthly.

Additionally, the PMIA has Policies, Goals and Objectives for the portfolio to make certain that our goals of Safety, Liquidity and Yield are not jeopardized and that prudent management prevails. These policies are formulated by investment staff and reviewed by both the PMIB and the LIAB on an annual basis.

The State Treasurer's Office is audited by the Bureau of State Audits on an annual basis and the resulting opinion is posted to the STO website following its publication. The Bureau of State Audits also has a continuing audit process throughout the year. All investments and LAIF claims are audited on a daily basis by the State Controller's Office as well as an in-house audit process involving three separate divisions.

Under Federal Law, the State of California cannot declare bankruptcy, thereby allowing the Government Code Section 16429.3 to stand. This Section states that "moneys placed with the Treasurer for deposit in the LAIF by cities, counties, special districts, nonprofit corporations, or qualified quasi-governmental agencies shall not be subject to either of the following: (a) transfer or loan pursuant to Sections 16310, 16312, or 16313, or (b) impoundment or seizure by any state official or state agency."

During the 2002 legislative session, California Government Code Section 16429.4 was added to the LAIF's enabling legislation. The Section states that "the right of a city, county, city and county, special district, nonprofit corporation, or qualified quasi-governmental agency to withdraw its deposited moneys from the LAIF, upon demand, June not be altered, impaired, or denied in any way, by any state official or state agency based upon the state's failure to adopt a State Budget by July 1 of each new fiscal year."

The LAIF has grown from 293 participants and \$468 million in 1977 to more than 2,759 participants and \$24.3 billion at the end of July 2009.

Bill Lockyer, State Treasurer
Inside the State Treasurer's Office
 Local Agency Investment Fund (LAIF)



SAVE THE DATE: LAIF ANNUAL CONFERENCE, OCTOBER 21-22, 2009

PMIA Performance Report

Date	Daily Yield	Quarter to Date Yield	Average Maturity (in days)
6/29/2009	1.21	1.52	214
6/30/2009	1.12	1.52	235
7/1/2009	1.13	1.13	239
7/2/2009	1.12	1.13	241
7/3/2009	1.12	1.12	238
7/4/2009	1.12	1.12	238
7/5/2009	1.12	1.12	238
7/6/2009	1.09	1.12	239
7/7/2009	1.08	1.11	233
7/8/2009	1.07	1.11	228
7/9/2009	1.07	1.10	227
7/10/2009	1.07	1.10	227
7/11/2009	1.07	1.09	227
7/12/2009	1.07	1.09	227

LAIF Performance Report

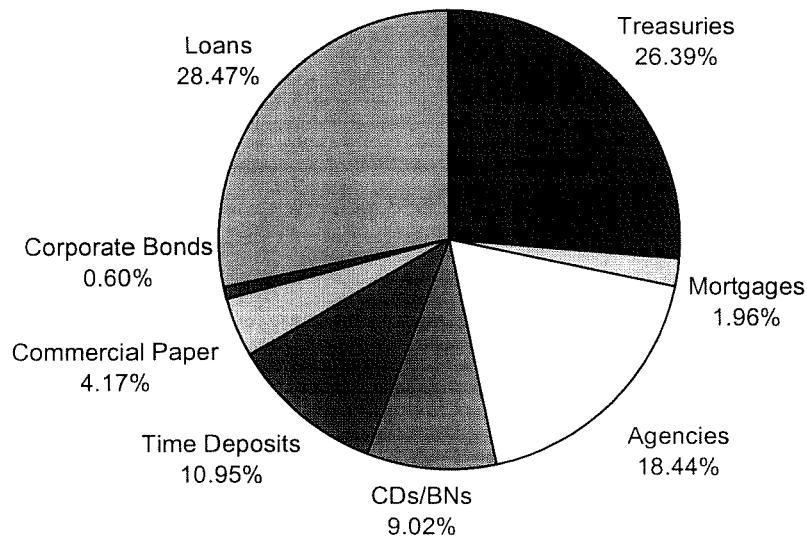
Quarter ending 6/30/2009

Apportionment Rate: 1.51%
 Earnings Ratio: .00004133177972413
 Fair Value Factor: 1.001304743

PMIA Average Monthly Effective Yields

Jun 2009 1.377%
 May 2009 1.530%
 Apr 2009 1.607%

Pooled Money Investment Account
Portfolio Composition
\$50.7 Billion
06/30/09





JOHN CHIANG

California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

Agency Name MONTEREY REGNL WASTE MNGMNT DI

Account Number 70-27-001

As of 07/15/2009, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 06/30/2009.

Earnings Ratio		.00004133177972413
Interest Rate		1.51%
Dollar Day Total	\$	844,937,775.97
Quarter End Principal Balance	\$	9,676,597.81
Quarterly Interest Earned	\$	34,922.78