

FINANCIAL COMMISSION MEETING AGENDA

6:00 PM - Monday, November 21, 2022

Telephone/Video Conference Only

Please Note: Per California Executive Order N-29-20, the City Council will meet via Telephone/Video Conference only:

Telephone: 1-669-444-9171 / Webinar ID: 836 1019 0401

<https://losaltosca.gov.zoom.us/j/83610190401?pwd=MzdtWHpWWkRlczZPbXVvOFIFa2E1UT09>

Passcode: 852468

TO PARTICIPATE VIA VIDEO: Follow the link above. Members of the public will need to have a working microphone on their device and **must have the latest version of ZOOM installed** (available at <https://zoom.us/download>). To request to speak, please use the “Raise hand” feature located at the bottom of the screen.

TO PARTICIPATE VIA TELEPHONE: Members of the public may also participate via telephone by calling the number listed above. To request to speak, press *9 on your telephone.

TO SUBMIT WRITTEN COMMENTS: Prior to the meeting, comments on matters listed on the agenda may be emailed to **financialcommissionmeeting@losaltosca.gov**. Emails sent to this email address are sent to/received immediately by the City Council. Please include a subject line in the following format:

PUBLIC COMMENT AGENDA ITEM ## - MEETING DATE

Correspondence submitted in hard copy/paper must be received by 2:00 PM on the day of the meeting to ensure distribution prior to the meeting. Correspondence received prior to the meeting will be included in the public record. Please follow this link for more information on submitting written comments: <https://www.losaltosca.gov/cityclerk/page/public-comments>.

Public testimony will be taken at the direction of the Chair, and members of the public may only comment during times allotted for public comments.

ESTABLISH QUORUM

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Members of the audience may bring to the Commission's attention any item that is not on the agenda. Please complete a "Request to Speak" form and submit it to the Staff Liaison. Speakers are generally given two or three minutes, at the discretion of the Chair. Please be advised that, by law, the Commission is unable to discuss or take action on issues presented during the Public Comment Period. According to

State Law (also known as “the Brown Act”) items must first be noticed on the agenda before any discussion or action.

INFORMATIONAL ITEMS

1. Introduction of New Finance Manager

ITEMS FOR CONSIDERATION/ACTION

- [2.](#) Draft Minutes: Approve Minutes for the Meeting held on October 17, 2022
- [3.](#) Draft Sewer Rate Study Presentation- NBS
- [4.](#) Quarterly Investment Portfolio Report – Quarter Ended September 30, 2022
- [5.](#) FY23 Work Plan Draft

COMMISSIONERS' REPORTS AND COMMENTS

POTENTIAL FUTURE AGENDA ITEMS

6. Discussion with Finance Director on City’s Financial Policy – TBD

ADJOURNMENT

SPECIAL NOTICES TO PUBLIC

In compliance with the Americans with Disabilities Act, the City of Los Altos will make reasonable arrangements to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Clerk at least 48 hours prior to the meeting at (650) 947-2720.

Agendas, Staff Reports and some associated documents for Financial Commission items may be viewed on the Internet at <http://www.losaltosca.gov/meetings>.

If you wish to provide written materials, please provide the Commission Staff Liaison with **10 copies** of any document that you would like to submit to the Commissioners in order for it to become part of the public record.

For other questions regarding the meeting proceedings, please contact the City Clerk at (650) 947-2720.

DRAFT

Page 1 of 2

**MINUTES OF THE MEETING OF THE FINANCIAL COMMISSION OF THE CITY
OF LOS ALTOS, HELD ON, MONDAY, OCTOBER 17, 2022, AT 6:00 P.M.
VIDEO/ TELECONFERENCE**

ROLL CALL

PRESENT: Vice-Chair McClatchie, Commissioners Claras, Frey, Kalbach, Richmond, Whipple

ABSENT: Chair Kalkat

PLEDGE OF ALLEGIANCE**PUBLIC COMMENTS**

none

ITEMS FOR CONSIDERATION/ACTION1. Approval of Minutes of the Meeting, September 19, 2022

Action: Upon note of correction to a typo, a motion by Commissioner Richmond, seconded by Commissioner Kalbach, the Commission approved the minutes of the meeting of September 19, 2022, by the following vote: AYES: Vice-Chair McClatchie, Commissioners Claras, Frey, Kalbach, Richmond, Whipple. NOES: None; ABSTAIN: None; ABSENT: Chair Kalkat.

2. Discussion Items (no staff report)

- a) Work Plan for Financial Commission – Draft from 4-25-22 attached
- b) Cyber Security

The Commission discussed the work plan briefly, replaced 10-year plan review with Community Center debt review, and directed staff to update dates on the work plan and bring back the next meeting.

The City Manager stated Cyber Security is not under the purview of the Financial Commission and will resend the memo that was previously sent.

3. New Finance Director (no staff report)

Took out of order after minutes approval. Announced June Du as the new Finance Director.

COMMISSIONERS' REPORTS AND COMMENTS**DIRECTIONS ON FUTURE AGENDA ITEMS**

Review updated work plan – next meeting

DRAFT

Page 2 of 2

Review City's Financial Policy – December/January

ADJOURNMENT

Adjourned the meeting at 6:30 p.m.

SPECIAL NOTICES TO PUBLIC

In compliance with the Americans with Disabilities Act, the City of Los Altos will make reasonable arrangements to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Clerk at least 48 hours prior to the meeting at (650) 947-2720.

Agendas, Staff Reports and some associated documents for Financial Commission items may be viewed on the Internet at <http://www.losaltosca.gov/meetings>.

If you wish to provide written materials, please provide the Commission Staff Liaison with **10 copies** of any document that you would like to submit to the Commissioners in order for it to become part of the public record.

For other questions regarding the meeting proceedings, please contact the City Clerk at (650) 947-2720.



FINANCIAL COMMISSION AGENDA REPORT

Meeting Date: November 21, 2022

Subject: Draft Sewer Rate Study Results

Prepared by: NBS (Jordan Taylor and Allan Highstreet)

Initiated by: Staff

Attachments:

1. Sewer Rate Study Report + Appendices
2. Sewer Rate Study Presentation

Staff Recommendation

This is for information only.

Environmental Review:

Not applicable

Summary/Project Description:

This commission meeting is an informational presentation followed by questions from the committee members. A public hearing and protest balloting process are the next steps required to adopt new sewer rates. As a part of this process, NBS recommends the City take the following actions:

- **Approve and Accept the Draft Sewer Study Report:** NBS recommends the City Council formally approve and adopt this report and its recommendations. This will provide the documentation and administrative record necessary to adopt and implement the proposed sewer rates.
- **Implement Proposed Rates (at a later Council meeting):** Based on successfully meeting Proposition 218 balloting requirements, the City Council should proceed with implementing the rates proposed in this report for the next five years. These rates are intended to ensure the continued financial health of the City’s sewer utility.

Fiscal Impact:

Impact to rate payers and sewer reserve funds.

Background

Capital expenses exceed \$23 million through 2028 between City of Palo Alto projects (Los Altos’ share) & Los Altos’ budgeted projects. A new project requiring debt payments to Palo Alto will start in 2028, adding \$685,000 to debt annually. Rate increases are needed to cash fund the projects as well as keep up with the added debt service and the target reserve levels.

Discussion/Analysis

The City’s sewer rates consist of a fixed annual base charge per equivalent dwelling unit (EDU), and a volumetric rate for water consumed. Water consumption charges are based on average winter water use

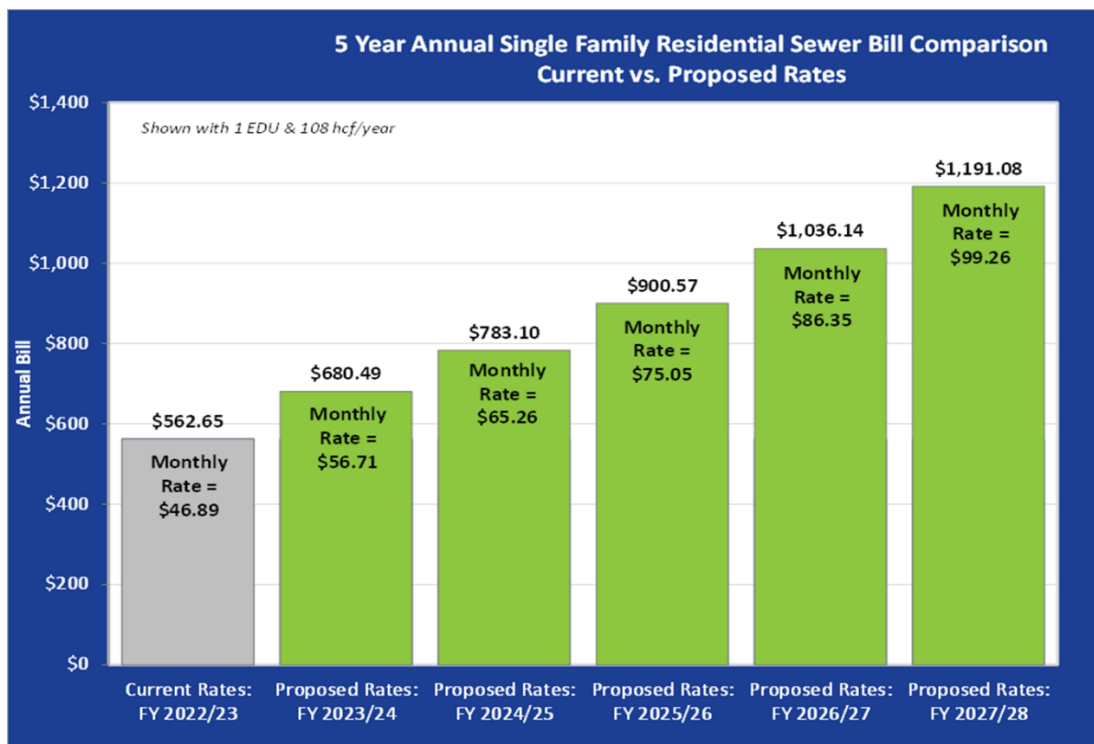


Subject: Draft Sewer Rate Study Results

from the prior year (using the three consecutive lowest months). Calculations and bill comparisons are shown below.

Fixed Charges (per EDU)	Total Revenue Requirements	% of Total Rev. Req't. from Fixed Charges	Fixed Charges	Number of Equivalent Dwelling Units	Rate per EDU
	A	B	C = A * B	D	E = C / D
All Customers	\$9,096,500	52%	\$4,730,180	14,595	\$324.09

Volumetric Charges (per HCF)	Total Revenue Requirements	% of Total Rev. Req't. from Volumetric Charges	Volumetric Charges	Annual Billable Volume (hcf)	Rate per HCF
	F	G = 1 - B	H = F * G	I	J = H / I
All Customers	\$9,096,500	48%	\$4,366,320	1,322,896	\$3.30



Sewer Rate Schedule	Current Rates	Proposed Yearly Sewer Rates				
		Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Annual Fixed Service Charge per EDU	\$301.29	\$324.09	\$372.70	\$428.61	\$492.90	\$566.84
Volumetric Rate (\$/hcf) ^{1,2}	\$2.42	\$3.30	\$3.80	\$4.37	\$5.03	\$5.78

1. One Unit is equal to one HCF (Hundred Cubic Feet) or 748 gallons.
 2. Rates are charged based on average winter water consumption (three lowest consecutive months from previous year).



Los
Altos

CITY OF LOS ALTOS

Draft Report

Sewer Rate Study

November 2022

OFFICE LOCATIONS:

Temecula – Corporate Headquarters
32605 Temecula Parkway, Suite 100
Temecula, CA 92592

San Francisco – Regional Office
870 Market Street, Suite 1223
San Francisco, CA 94102

California Satellite Offices
Atascadero, Davis
Huntington Beach,
Joshua Tree, Riverside
Sacramento, San Jose

www.nbsgov.com

Prepared by:



This page left blank intentionally.

TABLE OF CONTENTS

- Section 1. Executive Summary 1**
 - Background..... 1
 - Purpose..... 1
 - Key Findings..... 1
 - Revenue Requirements 1
 - Sewer Rates 1
 - Fixed Charges..... 2
 - Variable Charges..... 2
 - Study Recommendations 3

- Section 2. Sewer Rate Study 4**
 - Key Sewer Rate Study Issues 4
 - Financial Plan..... 4
 - Key Assumptions 4
 - Key Objectives 5
 - Cost-of-Service Summary 6
 - Fixed and Variable Charges 9
 - Customer Bill Comparisons 9
 - Residential Sewer Customers 9
 - Commercial Sewer Customers 11

- Section 3. Next Steps..... 13**
 - Next Steps 13
 - Annually Review Rates and Revenue 13
 - Principal Assumptions And Considerations..... 13

- Section 4. Appendix A – Abbreviations & Acronyms..... 14**
- Section 5. Appendix B – Sewer Rate Study Summary Tables..... 15**

TABLE OF FIGURES

Figure 1. Regional Annual Sewer Bill Comparison for SFR Customers 2

Figure 2. Summary of Sewer Revenue Requirements..... 6

Figure 3. Summary of Sewer Reserve Funds 6

Figure 4. Rate Revenue Requirements by Cost Classification 7

Figure 5. Summary of Flow to Treatment Plant 7

Figure 6. Summary of Sewer Customer Accounts and Equivalent Dwelling units (EDU’s)..... 8

Figure 7. Summary of Strength Allocation Factor for COD and TSS 8

Figure 8. Sewer Rate Calculation – Fixed Charges..... 9

Figure 9. Sewer Rate Calculation – Volumetric Charges 9

Figure 10. Current (FY 2022/23) and Proposed Sewer Rates (FY 2023/24 – FY 2027/28) 9

Figure 11. Annual Single-Family Sewer Bill Comparison 10

Figure 12. Annual Multi-Family Sewer Bill Comparison (2 units) 11

Figure 13. Annual Commercial Sewer Bill Comparison 12

Section 1. EXECUTIVE SUMMARY

Background

The City of Los Altos has a sewer collection system that serves the residents and businesses within the City, as well as a portion of the Town of Los Altos Hills. The sewer collection system has 140 miles of pipes; wastewater is then conveyed via a sewer trunk line to the Palo Alto Regional Water Quality Control Plant (RWQCP) for treatment. The City is one of several partner agencies that send wastewater to the RWQCP for treatment and disposal.

Purpose

The City of Los Altos (City) retained NBS in 2022 to perform a comprehensive sewer rate study for a number of reasons, including developing rates that support the sewer utility's long-term financial health, reflect the cost of providing service to each customer class, and are defensible and equitable. This report is provided in part to assist the City in its effort to communicate transparently with the residents and businesses it serves.

In developing new sewer rates, NBS worked cooperatively with City staff in selecting appropriate rate alternatives. Based on input from City staff, the proposed rates are summarized in this study.

Key Findings

REVENUE REQUIREMENTS

As a part of this rate study, NBS projected revenues and expenditures on a cash flow basis for the next twenty years. Future system rehabilitation and replacement projects are expected to draw down existing reserves and affect annual sewer rates. Capital and operational reserve funding targets are intended to meet the utility's specific financial objectives and the rate adjustments aim to meet those minimum levels. The amount of rate revenue required, that will allow reserves to be maintained at the recommended levels, is known as the *net revenue requirement*.

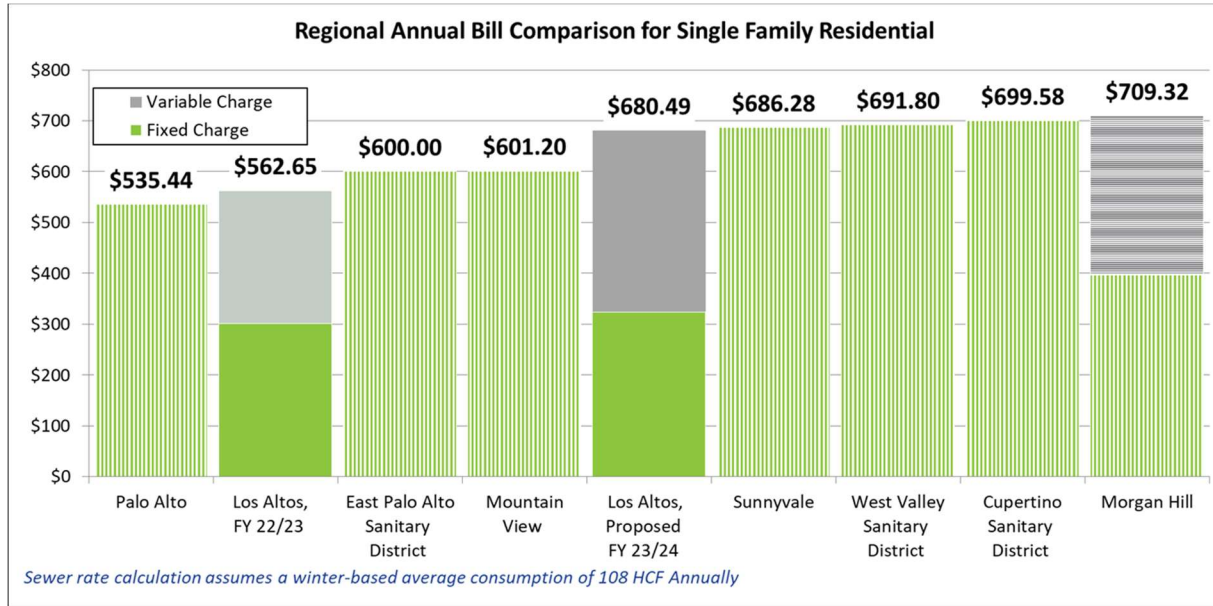
To keep meeting net revenue requirements, critical rate adjustments – or more accurately, adjustments in the total revenue collected from rates – are recommended over the next five years.

SEWER RATES

The current sewer rate design includes an annual fixed service charge per equivalent dwelling unit (EDU) and a single volumetric rate based on average winter water consumption. After discussion and review of rate alternatives, City staff decided to maintain the existing rate structure.

Figure 1 below shows the estimated annual sewer bill for a typical single-family customer in the City compared to annual bills in other nearby communities. Even after rates are adjusted, residential customer bills in Los Altos still compare favorably with other communities in the region. Many of these other communities may have or may currently be going through a rate study process; and as such, sewer rates in these communities may be higher in the future.

FIGURE 1. REGIONAL ANNUAL SEWER BILL COMPARISON FOR SFR CUSTOMERS



FIXED CHARGES

Fixed charges can be called base charges, minimum charges, etc. Although fixed charges are typically a significant percentage of a utility’s overall costs, utilities rarely collect 100 percent of their fixed costs through fixed charges. In general, customers prefer that charges include a volumetric component, as there is an inherent and widely recognized equity in a “pay-for-what-you-use” philosophy. Fixed charges are often charged on a per equivalent dwelling unit (EDU), or per account basis.

VARIABLE CHARGES

In contrast, variable costs such as the cost of electricity and chemicals used in the treatment facilities tend to change with the quantity of wastewater treated. For sewer utilities, variable charges are often based on winter water consumption and charged on a dollar-per-unit cost (per 100 cubic feet, or hcf, in the City’s case). Variable sewer rate structures typically include one rate (\$/hcf); sometimes variable rates are specific to customer classes (i.e., residential, commercial, etc.). The intent with a rate structure that varies by customer class is to reflect the cost of service differences between customer classes in rates, with respect to the amount of wastewater treated (flow based costs) as well as the costs of treating the level of sewer “strength” (i.e., the amount of chemical oxygen demand (COD) and total suspended solids (TSS) components). The cost per unit does not change with consumption and provides a simple and straightforward approach from the perspective of customer understanding, rate administration, and customer billing.

Study Recommendations

A public hearing and protest balloting process are the next steps required to adopt new sewer rates. As a part of this process, NBS recommends the City take the following actions:

- **Approve and Accept This Study Report:** NBS recommends the City Council formally approve and adopt this report and its recommendations. This will provide the documentation and administrative record necessary to adopt and implement the proposed sewer rates.
- **Implement Proposed Rates:** Based on successfully meeting Proposition 218 balloting requirements, the City Council should proceed with implementing the rates proposed in this report for the next five years. These rates are intended to ensure the continued financial health of the City's sewer utility.

Section 2. SEWER RATE STUDY

Key Sewer Rate Study Issues

The sewer rate study was undertaken with the goal of maintaining the strong financial health of the City's sewer utility. Additional study goals included reviewing the existing sewer rate structure and developing rate alternatives that promote equity among customer classes. The City has had various types of sewer rates over the last two decades – 100% fixed, 100% volumetric, and now a combination of the two.

NBS recommends the City maintain the existing rate structure of a single fixed charge and a variable charged based on the customer's previous year's winter water usage. The fixed and variable charges were developed based on the net revenue requirements, number of customer accounts and EDU's, water consumption and other City-provided information. Detailed tables showing the systematic development of the analysis are presented in Appendix B – Sewer Rate Study Summary Tables.

Financial Plan

To identify the sewer utility's long-term financial needs, including funding for capital improvement projects, NBS developed a 10-year financial plan that forecasts sewer revenues, expenditures, and projected reserves. This plan is based on the City's current operating budget for the utility, discussions with City staff, and related information such as capital improvement plans and financial statements.

KEY ASSUMPTIONS

The following are the key assumptions used in the rate analysis:

- **Funding Capital Projects** – The analysis assumes that capital project costs will be funded with reserves and sewer rates over the next five years.
- **Reserve Targets** – NBS has maintained reserve targets that are based on the City's specific needs and accommodate the timing of annual billing on the tax roll.
- **Inflation and Growth Projections** – The following inflation factors were applied to revenues and expenditures in the analysis, based on data from City staff as well as inflation averages from the Bureau of Labor Statistics:
 - General inflation is 4.0 percent annually.
 - Labor cost inflation is 5.0 percent annually.
 - PERS Obligation inflation is 5.57 percent based on City trends annually.
 - Energy cost inflation is 5.0 percent annually.
 - Palo Alto RWQCP cost inflation is approximately 6.76 percent annually.
 - No customer growth is anticipated.

The City of Palo Alto also provided a 10-year projection of costs for the Regional Water Quality Control Plant (RWQCP). The RWQCP cost projection includes the City's share of annual operating costs, debt service payments and capital improvement costs. RWQCP costs are allocated to the City of Los Altos based on annual metered flow sent to the treatment plant; typically, the City represents around 10 percent of total RWQCP flows.

KEY OBJECTIVES

This financial plan addresses three primary objectives:

1. **Meeting Operating Costs:** The sewer utility must generate enough revenue to cover the expenses of sewer operations, including administration, maintenance of the collection system, and RWQCP treatment costs. Operating costs are approximately \$8.41 million in FY 2023/24.
2. **Meeting Capital Improvement Costs:** The sewer utility plans to adequately fund necessary capital improvements, which includes roughly \$23 million in planned capital improvements for the current fiscal year through the end of FY 2027/28.
3. **Maintaining Reserve Funds:** Currently, the sewer utility's reserves are higher than target levels. Recommended rate adjustments will help maintain unrestricted and restricted reserve fund balances over the next ten years, but due to the capital costs, the balances will fall below target levels in the last three years of the Prop 218 rate period. After discussions with City staff, the following reserve targets were maintained for this analysis:
 - **Operating Reserve** equals about 50 percent of the utility's budgeted annual operating expenses. This reserve target is equal to a six-month (or 180-day) cash cushion for normal operations. In FY 2023/24 the operating reserve target is \$4.2 million. This reserve is intended to ensure financial stability in the event of any short-term fluctuation in revenues and/or expenditures. Also of note, since the City collects sewer rates on the tax roll (and not on a monthly billing cycle), a higher reserve fund level will help carry the utility through semi-annual payments from Santa Clara County.
 - **Capital Rehabilitation and Replacement (R&R) Reserve** equal to average annual capital expenditures serves as a starting point for supporting long-term capital needs. For FY 2023/24, this reserve target is \$3.1 million. The primary purpose of capital reserves is to set aside a cash resource to address long-term capital rehabilitation and replacement needs.
 - **City of Palo Alto RWQCP Reserve** is intended to accumulate funds equal to one year of CIP costs that the City pays to Palo Alto (for RWQCP costs). Target reserve level is initially set at \$420,000.
 - **Debt Reserves** for the sewer utility's existing debt obligations has a target level of about \$500,000 from FY 2023/23-27/28. Starting in 2028, the City will have a new debt service payment to the City of Palo Alto for about an additional \$685,000 annually. Debt reserves increase in anticipation of new bonds being issued for projects at the RWQCP. Debt reserve funds are typically considered restricted funds.

Figure 2 summarizes the sources and uses of funds and net revenue requirements for the next five years. Figure 3 summarizes the utility's projected reserve funds and target balances for the next five years.

FIGURE 2. SUMMARY OF SEWER REVENUE REQUIREMENTS

Summary of Sources and Uses of Funds and Net Revenue Requirements	Budget		Projected			
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Sources of Wastewater Funds						
Rate Revenue Under Prevailing Rates	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000
Additional Revenue from Rate Increases ¹	-	1,186,500	2,550,975	4,120,121	5,924,639	7,999,835
Sewer Service Charge not on Tax Roll	600,000	600,000	600,000	600,000	600,000	600,000
Non-Rate Revenues	55,000	92,867	77,309	54,434	64,031	65,862
Total Sources of Funds	\$ 8,565,000	\$ 9,789,367	\$ 11,138,284	\$ 12,684,555	\$ 14,498,670	\$ 16,575,697
Uses of Wastewater Funds						
Operating Expenses	\$ 6,406,182	\$ 8,414,226	\$ 7,859,922	\$ 8,148,292	\$ 8,436,706	\$ 9,038,089
Debt Service	468,090	468,007	492,102	492,306	491,782	1,178,338
Rate-Funded Capital Expenses	-	-	5,464,635	3,014,834	5,458,718	3,264,516
Total Use of Funds	\$ 6,874,272	\$ 8,882,232	\$ 13,816,659	\$ 11,655,431	\$ 14,387,206	\$ 13,480,943
Projected Annual Rate Increase	0.00%	15.00%	15.00%	15.00%	15.00%	15.00%
<i>Cumulative Rate Increases</i>	<i>0.00%</i>	<i>15.00%</i>	<i>32.25%</i>	<i>52.09%</i>	<i>74.90%</i>	<i>101.14%</i>
Rate Revenue with Annual Rate Increase(s)	\$ 7,910,000	\$ 9,096,500	\$ 10,460,975	\$ 12,030,121	\$ 13,834,639	\$ 15,909,835
Surplus (Deficiency) before Rate Increase	1,690,728	907,135	(2,678,375)	1,029,124	111,464	3,094,755
Surplus (Deficiency) after Rate Increase	1,690,728	2,093,635	(127,400)	5,149,245	6,036,104	11,094,590
Net Revenue Requirement²	\$ 6,219,272	\$ 8,189,365	\$ 13,139,350	\$ 11,000,998	\$ 13,723,175	\$ 12,815,081

1. Assumes new rates are implemented July 1, 2023.
 2. Total Use of Funds less non-rate revenues. This is the annual amount needed from wastewater rates.

FIGURE 3. SUMMARY OF SEWER RESERVE FUNDS

Beginning Reserve Fund Balances and Recommended Reserve Targets	Budget		Projected			
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Un-Restricted Reserves						
Operating Reserve						
Ending Balance	\$ 3,203,100	\$ 4,114,199	\$ 1,415,693	\$ 2,448,780	\$ 2,564,939	\$ 4,519,000
<i>Recommended Minimum Target</i>	<i>\$ 3,203,100</i>	<i>\$ 4,207,100</i>	<i>\$ 3,930,000</i>	<i>\$ 4,074,100</i>	<i>\$ 4,218,400</i>	<i>\$ 4,519,000</i>
Capital Rehabilitation & Replacement Reserve						
Ending Balance	\$ 5,990,223	\$ 3,242,183	\$ 3,240,000	\$ 3,340,000	\$ 3,440,000	\$ 3,678,303
<i>Recommended Minimum Target</i>	<i>\$ 3,058,000</i>	<i>\$ 3,150,000</i>	<i>\$ 3,240,000</i>	<i>\$ 3,340,000</i>	<i>\$ 3,440,000</i>	<i>\$ 3,550,000</i>
City of Palo Alto RWQCP R&R Reserve						
Ending Balance	\$ 390,000	\$ 390,000	\$ 390,000	\$ 290,000	\$ 190,000	\$ 410,000
<i>Recommended Minimum Target</i>	<i>\$ 390,000</i>	<i>\$ 420,000</i>	<i>\$ 440,000</i>	<i>\$ 470,000</i>	<i>\$ 490,000</i>	<i>\$ 520,000</i>
Restricted Reserves						
Debt Reserve						
Ending Balance	\$ 468,007	\$ 468,007	\$ 492,102	\$ 492,306	\$ 491,782	\$ 1,178,338
<i>Recommended Minimum Target</i>	<i>\$ 468,090</i>	<i>\$ 468,007</i>	<i>\$ 492,102</i>	<i>\$ 492,306</i>	<i>\$ 491,782</i>	<i>\$ 1,178,338</i>
Total Ending Balance	\$ 10,051,330	\$ 8,214,389	\$ 5,537,795	\$ 6,571,086	\$ 6,686,721	\$ 9,785,640
<i>Recommended Minimum Target</i>	<i>\$ 7,119,190</i>	<i>\$ 8,245,107</i>	<i>\$ 8,102,102</i>	<i>\$ 8,376,406</i>	<i>\$ 8,640,182</i>	<i>\$ 9,767,338</i>

A summary of the entire 10-year financial plan, showing revenue requirements, revenues, and recommended rate increases is presented in Appendix B, which includes a summary of the City’s capital improvement program, at the end of this report.

Cost-of-Service Summary

Once the revenue requirements are determined, the cost-of-service analysis distributes the revenue requirements to cost classification components. These include the estimated amount of effluent (flow or volume), effluent strengths (COD and TSS), and customer-related costs (e.g., billing and administrative costs). Figure 4 shows the net revenue requirements of \$9,096,500 to be collected from sewer rates.

FIGURE 4. RATE REVENUE REQUIREMENTS BY COST CLASSIFICATION

Adjustment to Current Rate Level:	Total	Flow	COD	TSS	Customer
Adjusted Net Revenue Req'ts	\$ 9,096,500	\$ 4,801,228	\$ 1,524,318	\$ 1,524,318	\$ 1,246,636
<i>Percent of Revenue</i>		52.8%	16.8%	16.8%	13.7%

Actual sewer flow data from FY 2020/21 was used in the Study. The City uses average winter water consumption from the previous calendar year (lowest water consumption for three months) to estimate annual sewer usage¹.

Figure 5 shows winter-average flow by customer class. The City’s sewer customer classes are represented by the following types of customers: residential, multi-family residential, commercial, and public/institutional.

FIGURE 5. SUMMARY OF FLOW TO TREATMENT PLANT

Customer Class ¹	Number of Accounts	Annual Winter-Average Based Volume (HCF)	Percentage of Adjusted Volume
Residential			
Single Family Home	10,363	1,062,455	80.3%
Multifamily Residence (2 units)	65	2,744	0.2%
Multifamily Residence (3-4 units)	11	475	0.0%
Multifamily Residence (5+ units)	68	60,592	4.6%
Condominium Unit	1,033	52,954	4.0%
Commercial			
Commercial/Industrial	458	41,829	3.2%
Church	22	4,001	0.3%
Restaurant	69	78,160	5.9%
Public/Institutional			
Government	10	3,207	0.2%
Institutional	3	10,369	0.8%
Parks	4	2,119	0.2%
School	10	3,991	0.3%
Total:	12,116	1,322,896	100%

1. Customer billing data summarized from data Source: ~Data for Report_2021.22_JT.xlsx

Figure 6 compares the total number of accounts and equivalent dwelling units (EDUs) by customer class. EDUs are assigned to customers based on average winter water consumption. Typically, a single-family residential customer represents one EDU. Multi-family residential customers are assigned one EDU per unit (i.e., a triplex would be equal to three EDUs). Commercial customer EDUs are recalculated annually based on water consumption data from California Water Company (Cal Water).

Figure 7 develops the strength allocation factors of chemical oxygen demand (COD) and total suspended solids (TSS). This represents the strain each customer class puts on the treatment plant based on what the customer puts into the sewer system for treatment. For example, the food waste discharge at restaurants

¹ The City bills sewer usage on a per unit basis; one estimated sewer unit is equal to 748 gallons or one (1) hundred cubic feet (hcf).

will take more effort for the plant to treat than a single family home, which mostly discharges water from toilets, sinks, etc. into the sewer system.

FIGURE 6. SUMMARY OF SEWER CUSTOMER ACCOUNTS AND EQUIVALENT DWELLING UNITS (EDU'S)

Customer Class	Number of Accounts ¹	Percent of Total	Number of Equivalent Dwelling Units ¹	Percent of Total
Residential				
Single Family Home	10,363	85.5%	10,363	71.0%
Multifamily Residence (2 units)	65	0.5%	130	0.9%
Multifamily Residence (3-4 units)	11	0.1%	34	0.2%
Multifamily Residence (5+ units)	68	0.6%	716	4.9%
Condominium Unit	1,033	8.5%	1,033	7.1%
Commercial				
Commercial/Industrial	458	3.8%	902	6.2%
Church	22	0.2%	108	0.7%
Restaurant	69	0.6%	770	5.3%
Public/Institutional				
Government	10	0.1%	89	0.6%
Institutional	3	0.0%	283	1.9%
Parks	4	0.0%	58	0.4%
School	10	0.1%	109	0.7%
Total:	12,116	100%	14,595	100%
Vacant	15		4	
N/A	3		-	
Grand Total:	12,134		14,599	

1. Data Source: ~Data for Report_2021.22_JT.xlsx

FIGURE 7. SUMMARY OF STRENGTH ALLOCATION FACTOR FOR COD AND TSS

Customer Class	Adjusted Annual Volume Total (HCF)	Annual Flow (million gallons)	Chemical Oxygen Demand (COD)				Total Suspended Solids (TSS)		
			Average Strength Factor (mg/l) ¹	Calculated COD (lbs./yr.)	Adjusted COD (lbs./yr.)	Percent of Total	Average Strength Factor (mg/l) ¹	Adjusted TSS (lbs./yr.)	Percent of Total
Residential									
Single Family Home	959,544	717.79	622	3,723,506	4,049,292	72.0%	250	1,979,172	74.8%
Multifamily Residence (2 units)	2,478	1.85	622	9,617	10,458	0.2%	250	5,112	0.2%
Multifamily Residence (3-4 units)	429	0.32	622	1,664	1,809	0.0%	250	884	0.0%
Multifamily Residence (5+ units)	54,723	40.94	622	212,352	230,932	4.1%	250	112,873	4.3%
Condominium Unit	47,825	35.78	622	185,584	201,821	3.6%	250	98,644	3.7%
Commercial									
Commercial/Industrial	37,778	28.26	622	146,596	159,422	2.8%	250	77,921	2.9%
Church	3,614	2.70	622	14,023	15,250	0.3%	250	7,454	0.3%
Restaurant	70,589	52.80	1,888	831,453	904,200	16.1%	600	349,437	13.2%
Public/Institutional									
Government	2,896	2.17	419	7,570	8,233	0.1%	100	2,389	0.1%
Institutional	9,365	7.01	419	24,480	26,622	0.5%	100	7,727	0.3%
Parks	1,913	1.43	419	5,002	5,439	0.1%	100	1,579	0.1%
School	3,604	2.70	419	9,421	10,246	0.2%	100	2,974	0.1%
Total:	1,194,758	894		5,171,268	5,623,725	100%		2,646,165	100%

1. BOD strength factors (Source: Page G-21, SWRCB Revenue Program Guidelines Appendix G) converted to COD using formula referenced in Operation of Municipal Wastewater Treatment Plants, Chapter 17, pg. 9.

Fixed and Variable Charges

The City’s sewer rates consist of a fixed annual base charge per equivalent dwelling unit (EDU), and a volumetric rate for water consumed. Water consumption charges are based on average winter water use from the prior year (using the three consecutive lowest months) ².

The existing rate structure collects 48 percent of revenue from volumetric charges and 52 percent of revenue from fixed charges; NBS recommends the City maintain this revenue allocation in the proposed rates. Figure calculates the fixed charge per EDU; and Figure calculates the volumetric charge per HCF. Figure shows the current and proposed sewer rates through FY 2027/28.

FIGURE 8. SEWER RATE CALCULATION – FIXED CHARGES

Fixed Charges (per EDU)	Total Revenue Requirements	% of Total Rev. Req't. from Fixed Charges	Fixed Charges	Number of Equivalent Dwelling Units	Rate per EDU
	<i>A</i>	<i>B</i>	<i>C = A * B</i>	<i>D</i>	<i>E = C / D</i>
All Customers	\$9,096,500	52%	\$4,730,180	14,595	\$324.09

FIGURE 9. SEWER RATE CALCULATION – VOLUMETRIC CHARGES

Volumetric Charges (per HCF)	Total Revenue Requirements	% of Total Rev. Req't. from Volumetric Charges	Volumetric Charges	Annual Billable Volume (hcf)	Rate per HCF
	<i>F</i>	<i>G = 1 - B</i>	<i>H = F * G</i>	<i>I</i>	<i>J = H / I</i>
All Customers	\$9,096,500	48%	\$4,366,320	1,322,896	\$3.30

FIGURE 10. CURRENT (FY 2022/23) AND PROPOSED SEWER RATES (FY 2023/24 – FY 2027/28)

Sewer Rate Schedule	Current Rates	Proposed Yearly Sewer Rates				
		Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Annual Fixed Service Charge per EDU	\$301.29	\$324.09	\$372.70	\$428.61	\$492.90	\$566.84
Volumetric Rate (\$/hcf) ^{1,2}	\$2.42	\$3.30	\$3.80	\$4.37	\$5.03	\$5.78

1. One Unit is equal to one HCF (Hundred Cubic Feet) or 748 gallons.
 2. Rates are charged based on average winter water consumption (three lowest consecutive months from previous year).

Customer Bill Comparisons

RESIDENTIAL SEWER CUSTOMERS

Figure compares typical single-family annual sewer bills over the next five years, under the current and proposed rates. Similarly, Figure compares typical multi-family annual sewer bills over the next five years, under the current and proposed rates.

² Average winter consumption is recalculated each year using the most recent winter water consumption (lowest consecutive 3 months).

FIGURE 11. ANNUAL SINGLE-FAMILY SEWER BILL COMPARISON

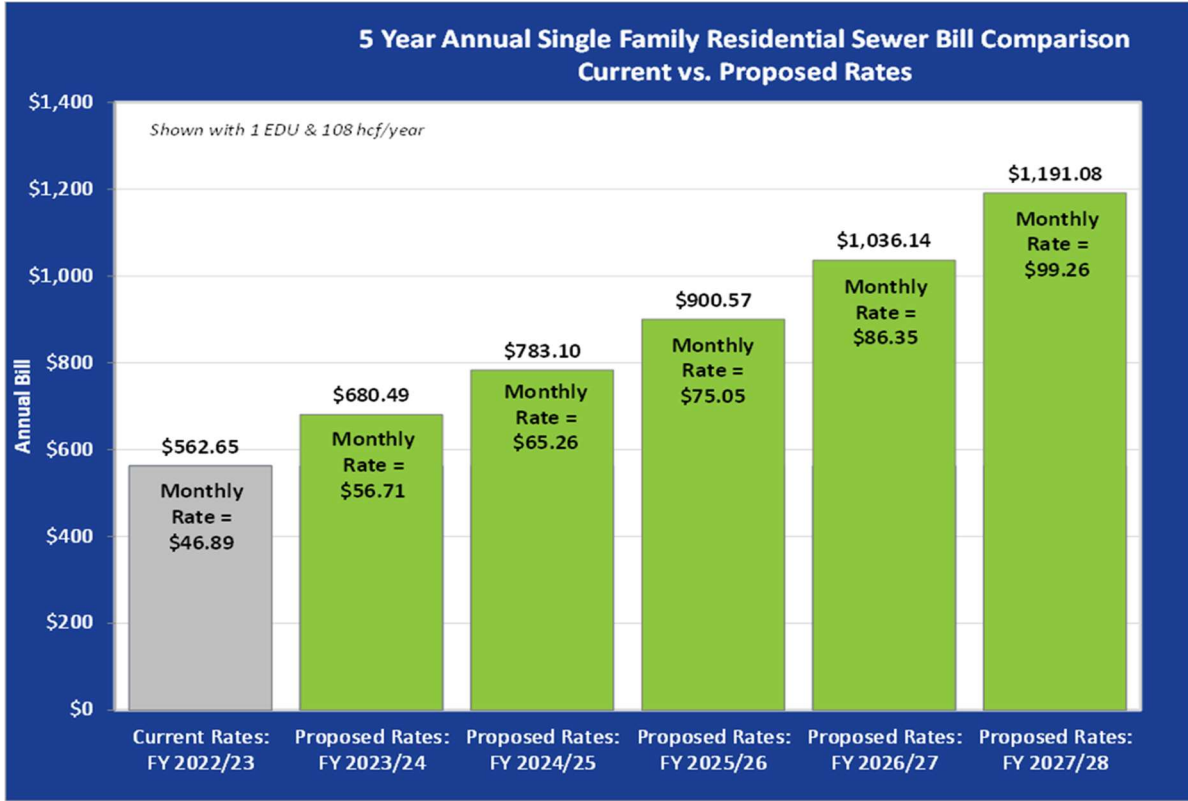
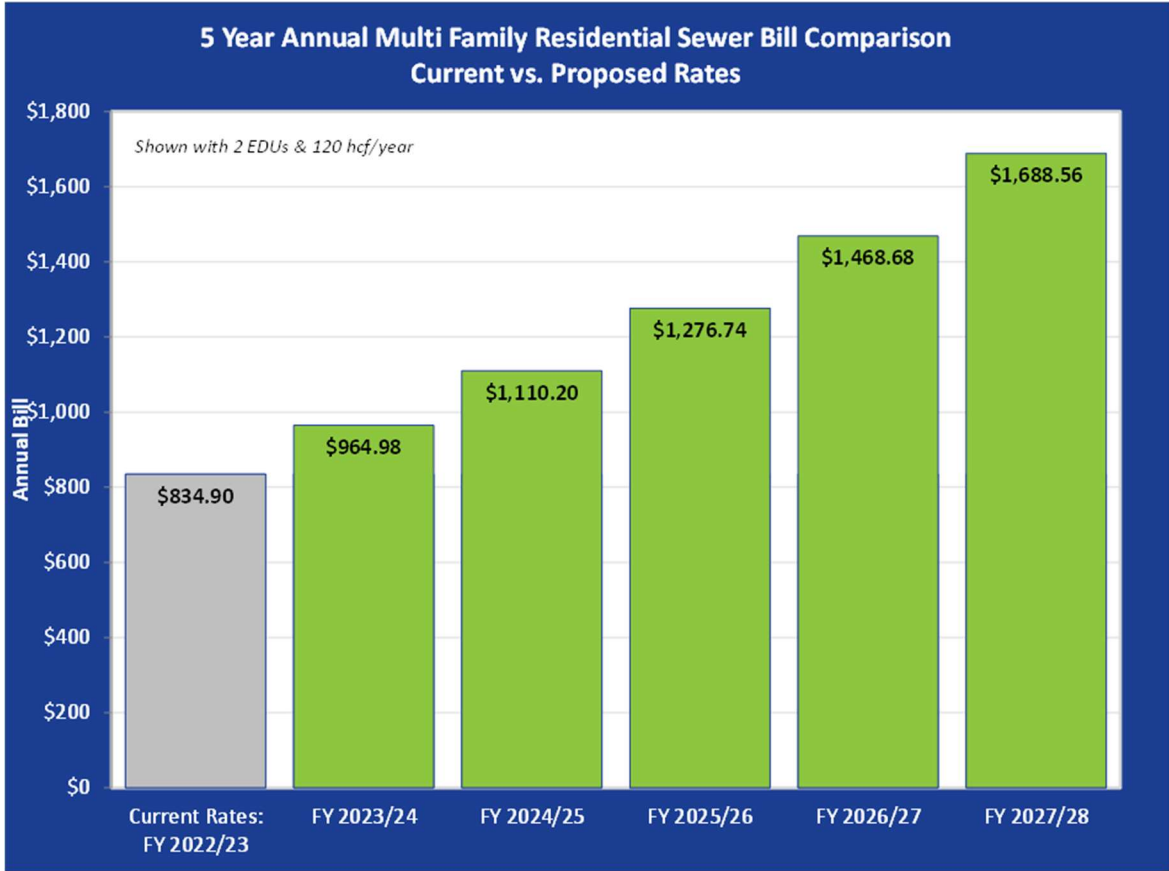


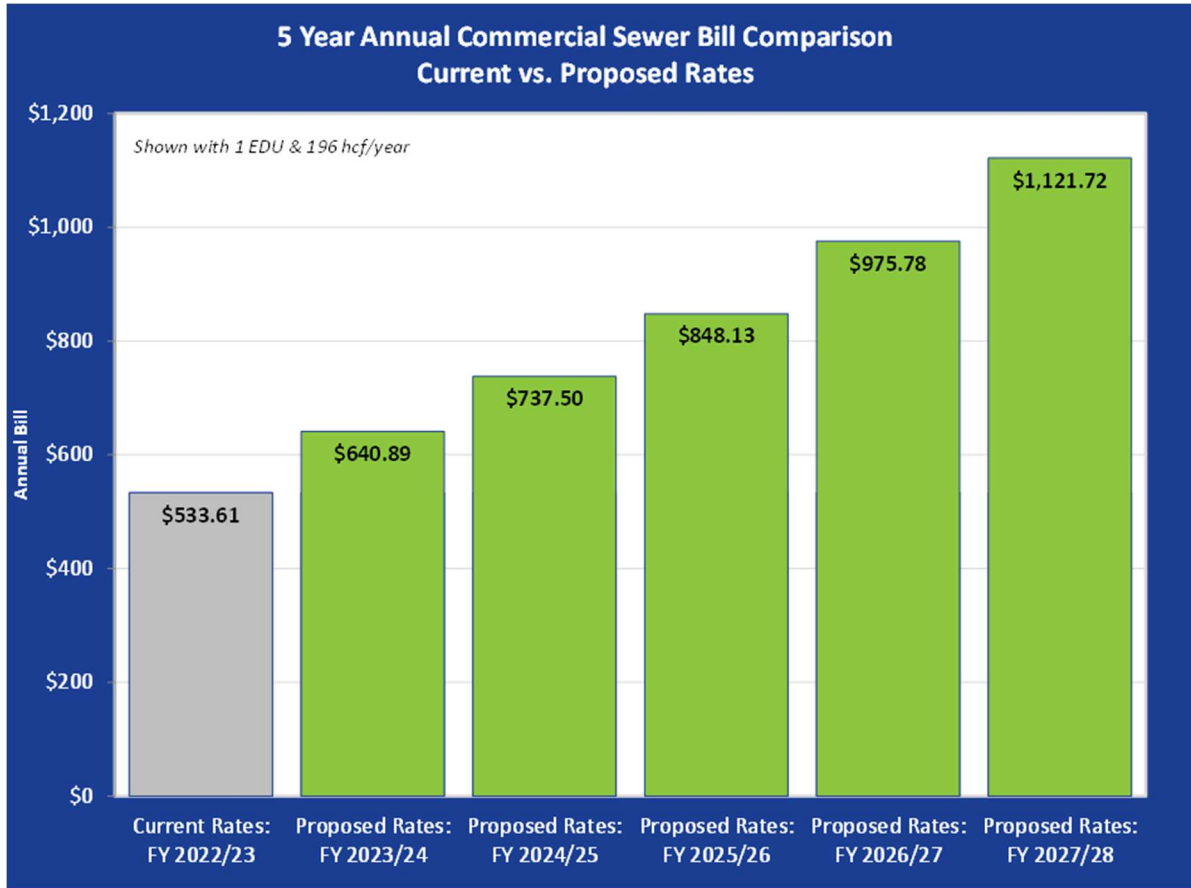
FIGURE 12. ANNUAL MULTI-FAMILY SEWER BILL COMPARISON (2 UNITS)



COMMERCIAL SEWER CUSTOMERS

Figure compares typical commercial annual sewer bills over the next five years, under the current and proposed rates.

FIGURE 13. ANNUAL COMMERCIAL SEWER BILL COMPARISON



Section 3. NEXT STEPS

Next Steps

A public hearing and protest balloting process are the next steps required to adopt new sewer rates. As a part of this process, NBS recommends the City take the following actions:

- **Approve and Accept This Study Report:** NBS recommends the City Council formally approve and adopt this report and its recommendations. This will provide the documentation and administrative record necessary to adopt and implement the proposed sewer rates.
- **Implement Proposed Rates:** Based on successfully meeting Proposition 218 balloting requirements, the City Council should proceed with implementing the rates proposed in this report for the next five years. These rates are intended to ensure the continued financial health of the City's sewer utility.

ANNUALLY REVIEW RATES AND REVENUE

Any time an agency adopts new utility rates, particularly when facing significant future capital costs, those new rates should be closely monitored over the next several years to ensure the revenue generated is sufficient to meet the annual revenue requirements. Changing economic and water consumption patterns underscore the need for this review, as well as potential and unseen changing revenue requirements, particularly those related to capital improvement and repair and replacement costs that can significantly affect annual cash flows.

PRINCIPAL ASSUMPTIONS AND CONSIDERATIONS

In preparing this report and the recommendations included herein, NBS has relied on a number of principal assumptions and considerations with regard to financial matters, including the City's utility budgets, capital improvement plans, the number of customer accounts, water consumption records, and other conditions and events projected to occur in the future. This information and these assumptions were provided by sources we believe to be reliable, although NBS has not independently verified this data.

While we believe NBS' use of such information and assumptions is reasonable for the purpose of this report and its recommendations, some assumptions will invariably not materialize as stated herein or may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by us or provided to us by others.

Section 4. APPENDIX A – ABBREVIATIONS & ACRONYMS³

AAF	Average Annual Flow
Alt.	Alternative
Avg.	Average
AWWA	American Water Works Association
BMP	Best Management Practice
BOD	Biochemical Oxygen Demand
CA	Customer
CAP	Capacity
CCI	Construction Cost Index
COD	Chemical Oxygen Demand
COM	Commodity
Comm.	Commercial
COS	Cost of Service
COSA	Cost of Service Analysis
CPI	Consumer Price Index
CIP	Capital Improvement Program
DU	Dwelling Unit
Excl.	Exclude
ENR	Engineering News Record
EDU	Equivalent Dwelling Unit
Exp.	Expense
FY	Fiscal Year (e.g., July 1st to June 30th)
FY 2022/23	July 1, 2022 through June 30, 2023
GPD	Gallons per Day
GPM	Gallons per Minute
HCF	Hundred Cubic Feet; equal to 748 gallons or 1 CCF
Ind.	Industrial
LAIF	Local Agency Investment Fund
Lbs.	Pounds
MFR	Multi-Family Residential
MGD	Million Gallons per Day
MG/L	Milligrams per Liter
Mo.	Month
Muni.	Municipal
NH ₃	Ammonia
N/A	Not Available or Not Applicable
O&M	Operational & Maintenance Expenses
Prop 13	Proposition 13 (1978) – Article XIII A of the California Constitution which limits taxes on real property to 1 percent of the full cash value of such property.
Prop 218	Proposition 218 (1996) – State Constitutional amendment expanded restrictions of local government revenue collections.
Req't	Requirement
Res.	Residential
Rev.	Revenue
R&R	Rehabilitation & Replacement
SFR	Single Family Residential
TSS / SS	Total Suspended Solids
V. / Vs. /vs.	Versus
WWTP	Waste Water Treatment Plant

3 This appendix identifies abbreviations and acronyms that may be used in this report. This appendix has not been viewed, arranged, or edited by an attorney, nor should it be relied on as legal advice. The intent of this appendix is to support the recognition and analysis of this report. Any questions regarding clarification of this document should be directed to staff or an attorney specializing in this particular subject matter.

Section 5. APPENDIX B – SEWER RATE STUDY SUMMARY TABLES

TABLE 1: FINANCIAL PLAN AND SUMMARY OF REVENUE REQUIREMENTS

RATE REVENUE REQUIREMENTS SUMMARY	Budget		Projected					Projected				
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	
Sources of Funds (Sewer Revenues)¹												
Rate Revenue:												
Sewer Service Charge on Tax Roll	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000
Revenue from Rate Increases ²	-	1,186,500	2,550,975	4,120,121	5,924,639	7,999,835	8,795,327	9,630,593	10,507,623	11,428,504	12,395,430	13,362,356
Subtotal: Rate Revenue After Rate Increases	7,910,000	9,096,500	10,460,975	12,030,121	13,834,639	15,909,835	16,705,327	17,540,593	18,417,623	19,338,504	20,305,430	21,272,356
Non-Rate Revenue:												
Sewer Service Charge not on Tax Roll	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Other Revenues	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Interest Income ³	40,000	77,867	62,309	39,434	49,031	50,862	69,431	70,964	95,188	100,867	133,654	133,654
Subtotal: Rate Revenue After Rate Increases	655,000	692,867	677,309	654,434	664,031	665,862	684,431	685,964	710,188	715,867	748,654	748,654
Total Sources of Funds	\$ 8,565,000	\$ 9,789,367	\$ 11,138,284	\$ 12,684,555	\$ 14,498,670	\$ 16,575,697	\$ 17,389,758	\$ 18,226,557	\$ 19,127,811	\$ 20,054,371	\$ 21,054,083	\$ 21,054,083
Uses of Funds												
Operating Expenses ⁴												
Salaries and Benefits	\$ 1,238,770	\$ 1,301,458	\$ 1,367,324	\$ 1,436,526	\$ 1,509,237	\$ 1,585,632	\$ 1,665,900	\$ 1,750,236	\$ 1,838,848	\$ 1,931,952	\$ 2,029,777	\$ 2,029,777
Utilities	70,300	73,459	76,762	80,215	83,825	87,600	91,547	95,674	99,989	104,501	109,219	109,219
Repair and Services	2,154,324	2,259,415	2,369,656	2,485,300	2,606,612	2,733,871	2,867,371	3,007,418	3,154,335	3,308,459	3,470,146	3,470,146
City of Palo Alto RWQCP O&M	2,942,788	4,779,893	4,046,181	4,146,251	4,237,033	4,630,986	5,614,317	5,708,835	5,805,602	5,828,031	5,940,567	5,940,567
Subtotal: Operating Expenses	\$ 6,406,182	\$ 8,414,226	\$ 7,859,922	\$ 8,148,292	\$ 8,436,706	\$ 9,038,089	\$ 10,239,135	\$ 10,562,163	\$ 10,898,774	\$ 11,172,943	\$ 11,549,709	\$ 11,549,709
Other Expenditures:												
Existing Debt Service - Palo Alto RWQCP	\$ 468,090	\$ 468,007	\$ 492,102	\$ 492,306	\$ 491,782	\$ 1,178,338	\$ 1,178,647	\$ 1,178,182	\$ 1,125,683	\$ 1,125,477	\$ 1,125,358	\$ 1,125,358
Rate-Funded Capital Expenses	-	-	5,464,635	3,014,834	5,458,718	3,264,516	5,772,403	3,566,634	4,268,214	1,425,429	1,597,589	1,597,589
Subtotal: Other Expenditures	\$ 468,090	\$ 468,007	\$ 5,956,736	\$ 3,507,140	\$ 5,950,500	\$ 4,442,853	\$ 6,951,050	\$ 4,744,816	\$ 5,393,897	\$ 2,550,906	\$ 2,722,947	\$ 2,722,947
Total Uses of Sewer Funds	\$ 6,874,272	\$ 8,882,232	\$ 13,816,659	\$ 11,655,431	\$ 14,387,206	\$ 13,480,943	\$ 17,190,184	\$ 15,306,979	\$ 16,292,670	\$ 13,723,849	\$ 14,272,656	\$ 14,272,656
Annual Surplus/(Deficit)	\$ 1,690,728	\$ 907,135	\$ (2,678,375)	\$ 1,029,124	\$ 111,464	\$ 3,094,755	\$ 199,574	\$ 2,919,578	\$ 2,835,141	\$ 6,330,522	\$ 6,781,427	\$ 6,781,427
Net Revenue Req^t.	\$ 6,219,272	\$ 8,189,365	\$ 13,139,350	\$ 11,000,998	\$ 13,723,175	\$ 12,815,081	\$ 16,505,753	\$ 14,621,015	\$ 15,582,482	\$ 13,007,982	\$ 13,524,003	\$ 13,524,003
(Total Uses less Non-Rate Revenue)	\$ 7,910,000	\$ 9,096,500	\$ 10,460,975	\$ 12,030,121	\$ 13,834,639	\$ 15,909,835	\$ 16,705,327	\$ 17,540,593	\$ 18,417,623	\$ 19,338,504	\$ 20,305,430	\$ 20,305,430
Projected Annual Rate Revenue Increase	0.00%	15.00%	15.00%	15.00%	15.00%	15.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Cumulative Increase from Annual Revenue Increases	0.00%	15.00%	32.25%	52.09%	74.90%	101.14%	111.19%	121.75%	132.84%	144.48%	156.71%	156.71%
Debt Coverage After Rate Increase	4.61	2.94	6.66	9.21	12.33	6.40	6.07	6.51	7.31	7.89	8.45	8.45

1. Revenues are budgeted for 2022/2023. Source: *Multiyear Budget to Actual Sewer.pdf*
 2. Revenue from rate increases assumes an implementation date of July 1, 2023 for new rates.
 For each year thereafter, the assumption is that new rates will be implemented on July 1st. Rate revenue collected on property tax bills.
 3. Interest earnings beginning in FY 2023/24 are calculated based on historical LAF returns.
 4. Expenses are budgeted for 2022/2023. Source: *Multiyear Budget to Actual Sewer.pdf*

CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Financial Plan and Reserve Projections
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute
TABLE 2: RESERVE FUND SUMMARY

SUMMARY OF CASH ACTIVITY	Budget		Projected									
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	
Total Beginning Cash¹	\$ 11,414,637											
Un-Restricted Reserves:												
Operating Reserve												
Beginning Reserve Balance ²	\$ 3,203,100	\$ 3,203,100	\$ 4,114,199	\$ 1,415,693	\$ 2,448,780	\$ 2,564,939	\$ 4,519,000	\$ 4,728,246	\$ 5,281,100	\$ 5,449,400	\$ 5,586,500	
Plus: Net Cash Flow (After Rate Increases)	1,690,728	907,135	(2,678,375)	1,029,124	111,464	3,094,755	199,574	2,919,578	2,835,141	6,330,522	6,781,427	
Plus: Transfer of Debt Reserve Surplus	4,048	3,964	3,964	4,168	4,694	4,165	9,981	10,448	62,478	9,740	9,652	
Plus: Transfer of Capital R&R Reserve Surplus	-	-	-	-	-	-	-	-	-	-	-	
Less: Transfer Out to Debt Service Reserve	-	-	(24,095)	(204)	-	(686,556)	(309)	-	-	-	-	
Less: Transfer Out to Palo Alto RWQCP R&R Reserve	(90,000)	-	-	-	-	(330,000)	-	(180,000)	(140,000)	-	-	
Less: Transfer Out to Capital Replacement Reserve	(1,604,776)	-	-	-	-	(128,303)	-	(2,197,171)	(2,589,319)	(6,203,162)	(6,602,679)	
Ending Operating Reserve Balance	\$ 3,203,100	\$ 4,114,199	\$ 1,415,693	\$ 2,448,780	\$ 2,564,939	\$ 4,519,000	\$ 4,728,246	\$ 5,281,100	\$ 5,449,400	\$ 5,586,500	\$ 5,774,900	
Target Ending Balance (6 months of O&M)	\$ 3,203,100	\$ 4,207,100	\$ 3,930,000	\$ 4,074,100	\$ 4,218,400	\$ 4,519,000	\$ 5,119,600	\$ 5,281,100	\$ 5,449,400	\$ 5,586,500	\$ 5,774,900	
Capital Rehabilitation & Replacement Reserve												
Beginning Reserve Balance ²	\$ 7,443,447	\$ 5,990,223	\$ 3,242,183	\$ 3,240,000	\$ 3,340,000	\$ 3,440,000	\$ 3,678,303	\$ 3,650,000	\$ 5,957,171	\$ 6,459,319	\$ 10,193,162	
Plus: Grant Proceeds	-	-	-	-	-	-	-	-	-	-	-	
Plus: Transfer of Operating Reserve Surplus	1,604,776	-	-	-	-	128,303	-	2,197,171	2,589,319	6,203,162	6,602,679	
Plus: Transfer of Palo Alto RWQCP R&R Reserve Surplus	-	-	-	100,000	100,000	110,000	-	110,000	-	-	-	
Less: Transfer Out to Operating Replacement Reserve	-	-	-	-	-	-	-	-	-	-	-	
Less: Transfer Out for Capital Projects	(3,058,000)	(2,748,040)	(2,183)	-	-	-	(28,303)	-	(2,087,171)	(2,469,319)	(6,083,162)	
Ending Capital Rehab & Replacement Reserve Balance	\$ 5,990,223	\$ 3,242,183	\$ 3,240,000	\$ 3,340,000	\$ 3,440,000	\$ 3,678,303	\$ 3,650,000	\$ 5,957,171	\$ 6,459,319	\$ 10,193,162	\$ 10,712,679	
Capital R&R Reserve (based on estimated annual CIP)	\$ 3,058,000	\$ 3,150,000	\$ 3,240,000	\$ 3,340,000	\$ 3,440,000	\$ 3,550,000	\$ 3,650,000	\$ 3,760,000	\$ 3,870,000	\$ 3,990,000	\$ 4,110,000	
City of Palo Alto RWQCP R&R Reserve												
Beginning Reserve Balance ²	\$ 300,000	\$ 390,000	\$ 390,000	\$ 390,000	\$ 290,000	\$ 190,000	\$ 410,000	\$ 410,000	\$ 480,000	\$ 620,000	\$ 620,000	
Plus: Transfer of Operating Reserve Surplus	90,000	-	-	-	-	330,000	-	180,000	140,000	-	-	
Less: Transfer Out for Capital Projects	-	-	-	(100,000)	(100,000)	(110,000)	-	(110,000)	-	-	-	
Ending Capital Rehab & Replacement Reserve Balance	\$ 390,000	\$ 390,000	\$ 390,000	\$ 290,000	\$ 190,000	\$ 410,000	\$ 410,000	\$ 480,000	\$ 620,000	\$ 620,000	\$ 620,000	
RWQCP R&R Reserve (average 1 year CIP costs)	\$ 390,000	\$ 420,000	\$ 440,000	\$ 470,000	\$ 490,000	\$ 520,000	\$ 550,000	\$ 590,000	\$ 620,000	\$ 320,000	\$ -	
Ending Balance - Excl. Restricted Reserves	\$ 9,583,323	\$ 7,746,382	\$ 5,045,693	\$ 6,078,780	\$ 6,194,939	\$ 8,607,303	\$ 8,788,246	\$ 11,718,271	\$ 12,528,719	\$ 16,399,662	\$ 17,107,579	
Min. Target Ending Balance - Excl. Restricted Reserves	\$ 6,651,100	\$ 7,777,100	\$ 7,610,000	\$ 7,884,100	\$ 8,148,400	\$ 8,589,000	\$ 9,319,600	\$ 9,631,100	\$ 9,939,400	\$ 9,896,500	\$ 9,884,900	
Ending Surplus/(Deficit) Compared to Reserve Targets	\$ 2,932,223	\$ (30,718)	\$ (2,564,307)	\$ (1,805,320)	\$ (1,953,461)	\$ 18,303	\$ (531,354)	\$ 2,087,171	\$ 2,589,319	\$ 6,503,162	\$ 7,222,679	

CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Financial Plan and Reserve Projections
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute
TABLE 3: RESERVE FUND SUMMARY

SUMMARY OF CASH ACTIVITY	Projected											
	Budget	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Restricted Reserves:												
Connection Fee Reserve												
Beginning Reserve Balance	\$ -	\$ 5,000	\$ 10,042	\$ 15,127	\$ 20,256	\$ 25,427	\$ 30,642	\$ 35,902	\$ 41,206	\$ 46,555	\$ 51,949	\$ 57,389
Plus: Interest Earnings	-	42	85	128	172	215	260	304	349	394	440	5,000
Plus: Connection Fee Revenue	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Less: Use of Reserves for Capital Projects	-	-	-	-	-	-	-	-	-	-	-	-
Ending Connection Fee Fund Balance	\$ 5,000	\$ 10,042	\$ 15,127	\$ 20,256	\$ 25,427	\$ 30,642	\$ 35,902	\$ 41,206	\$ 46,555	\$ 51,949	\$ 57,389	\$ -
Target Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Reserve												
Beginning Reserve Balance	\$ 468,090	\$ 468,007	\$ 468,007	\$ 492,102	\$ 492,306	\$ 491,782	\$ 1,178,338	\$ 1,178,647	\$ 1,178,182	\$ 1,125,683	\$ 1,125,477	\$ 1,125,477
Plus: Reserve Funding from Operating Reserve	-	-	24,095	204	-	686,556	309	-	-	-	-	-
Plus: Reserve Funding from Future Debt Obligations	-	-	-	-	-	-	-	-	-	-	-	-
Plus: Interest Earnings	3,965	3,964	3,964	4,168	4,170	4,165	9,981	9,983	9,979	9,535	9,533	9,533
Less: Transfer of Surplus to Operating Reserve	(4,048)	(3,964)	(3,964)	(4,168)	(4,694)	(4,165)	(9,981)	(10,448)	(62,478)	(9,740)	(9,652)	(9,652)
Ending Debt Reserve Balance	\$ 468,007	\$ 468,007	\$ 492,102	\$ 492,306	\$ 491,782	\$ 1,178,338	\$ 1,178,647	\$ 1,178,182	\$ 1,125,683	\$ 1,125,477	\$ 1,125,358	\$ 1,125,358
Target Ending Balance	\$ 468,090	\$ 468,007	\$ 492,102	\$ 492,306	\$ 491,782	\$ 1,178,338	\$ 1,178,647	\$ 1,178,182	\$ 1,125,683	\$ 1,125,477	\$ 1,125,358	\$ 1,125,358
Ending Balance - Restricted Reserves	\$ 473,007	\$ 478,049	\$ 507,229	\$ 512,561	\$ 517,209	\$ 1,208,980	\$ 1,214,549	\$ 1,219,388	\$ 1,172,238	\$ 1,177,427	\$ 1,182,747	\$ 1,182,747
Min. Target Ending Balance - Restricted Reserves	\$ 468,090	\$ 468,007	\$ 492,102	\$ 492,306	\$ 491,782	\$ 1,178,338	\$ 1,178,647	\$ 1,178,182	\$ 1,125,683	\$ 1,125,477	\$ 1,125,358	\$ 1,125,358
Ending Surplus/(Deficit) Compared to Reserve Targets	\$ 4,917	\$ 10,042	\$ 15,127	\$ 20,256	\$ 25,427	\$ 30,642	\$ 35,902	\$ 41,206	\$ 46,555	\$ 51,949	\$ 57,389	\$ -
Annual Interest Earnings Rate³	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%

1. The beginning cash balance is equal to the amount in the Sewer Fund, Claim on Cash per source file: Beginning balance of FY22.xlsx
 2. NBS assumes total unrestricted cash of \$11,414,637 is first used to fully fund operating reserve. The remainder is placed in Capital Rehabilitation & Replacement Reserve and City of Palo Alto R&R Reserve.
 3. Historical interest earning rates were referenced on the California Treasurer's Office website for funds invested in LAIF. Future years earnings are historical 10 year average interest earnings rate.

CHART 1

Sewer Revenue Requirements vs. Revenue Under Existing and Increased Rates

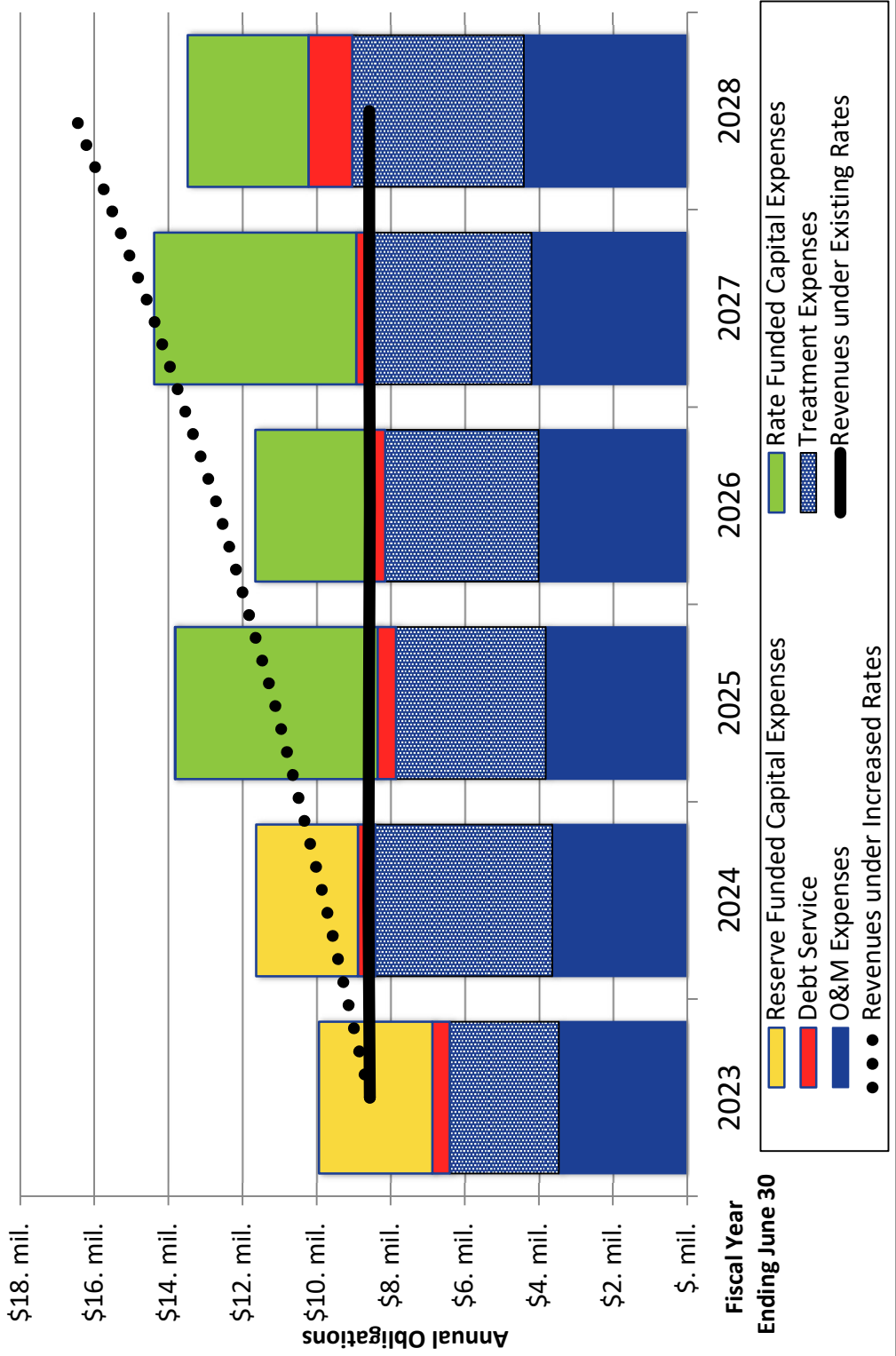


CHART 2

Ending Cash Balances vs. Recommended Reserve Targets (Sewer Fund: Un-Restricted Reserves)

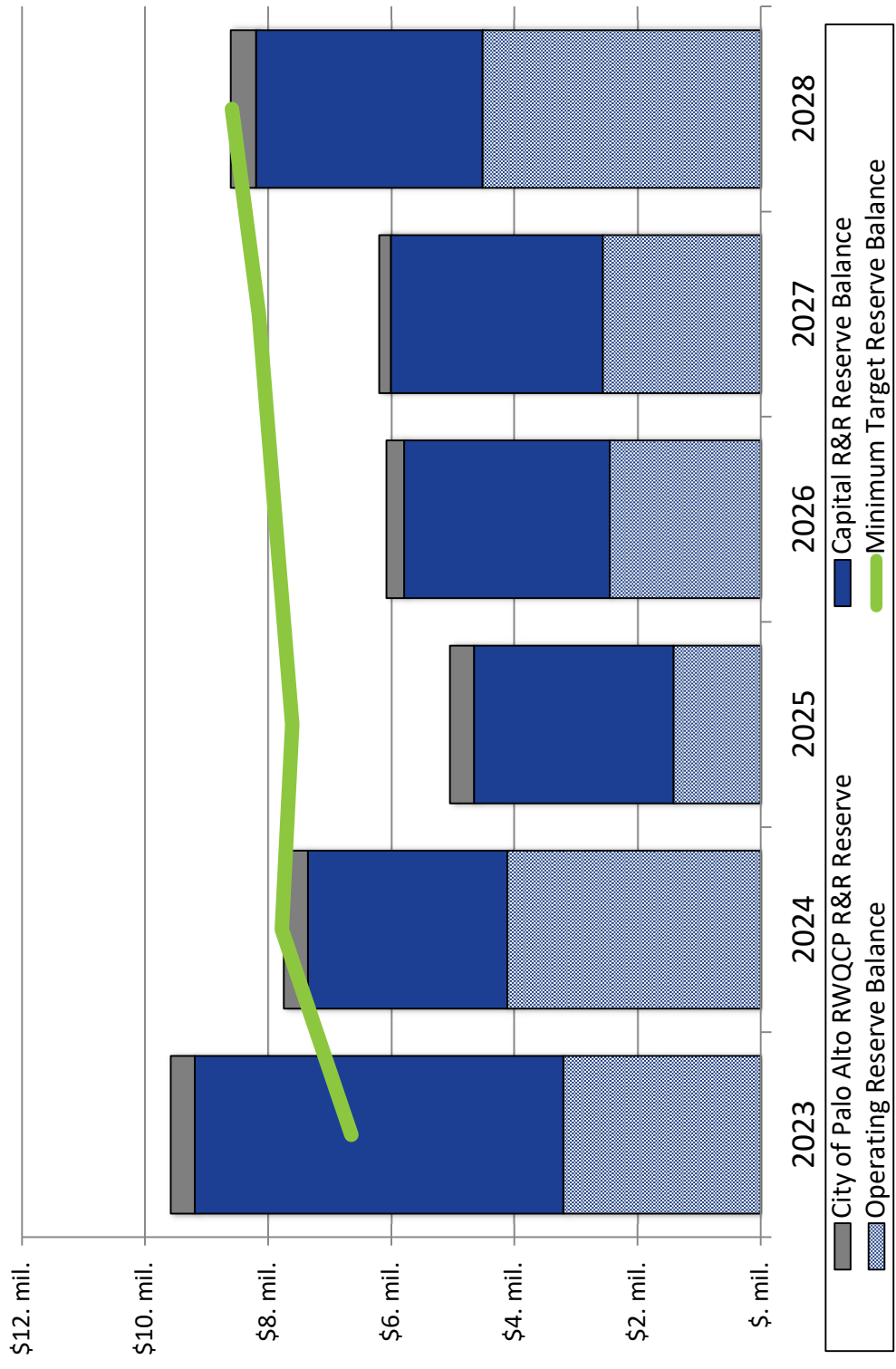
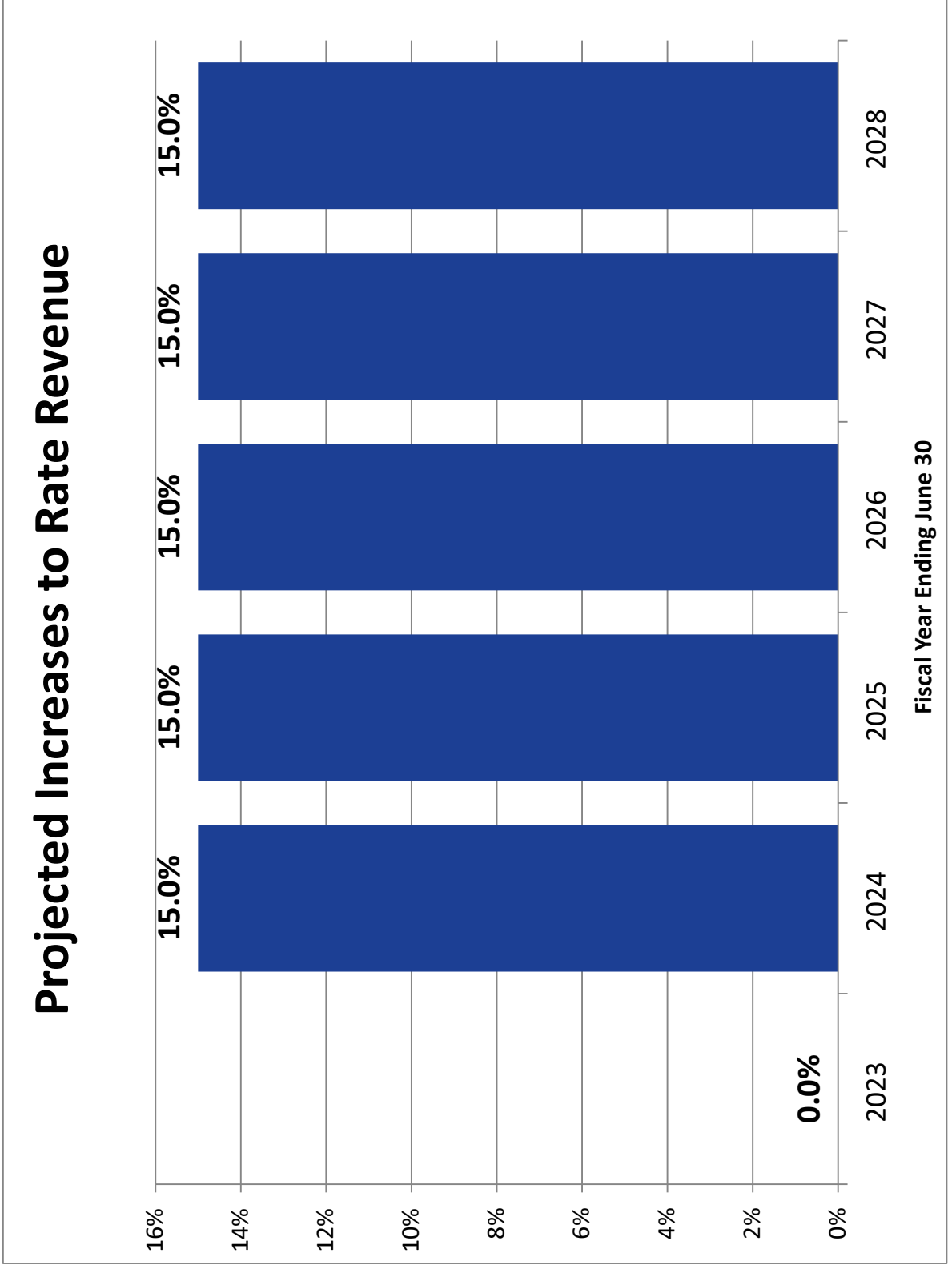


CHART 3



SEWER RATE STRUCTURE ANALYSIS
Operating Revenue and Expenses

Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 4: REVENUE FORECAST

Budget

DESCRIPTION	Basis	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
SEWER REVENUE¹												
Interest Income	FP	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer Fees - Tax Roll	1	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000
Sewer Fees- Not on Tax Roll	1	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Sewer Connection Fees	1	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Misc. Sewer Fees	1	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
TOTAL: REVENUE		\$ 8,570,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000

TABLE 5: REVENUE SUMMARY

SEWER REVENUE¹												
Sewer Service Charges		\$ 7,910,000	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000
Sewer Service Charges - Not on Tax Roll		600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Sewer Connection Fee		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Interest Earnings		40,000	-	-	-	-	-	-	-	-	-	-
Other Revenues		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
TOTAL: REVENUE		\$ 8,570,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000

TABLE 6: SEWER FUND OPERATING EXPENSE FORECAST

DESCRIPTION ¹	Basis	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Sewer System Administration												
Salaries and Benefits												
Salaries	3	\$ 136,891	\$ 143,736	\$ 150,922	\$ 158,468	\$ 166,392	\$ 174,711	\$ 183,447	\$ 192,619	\$ 202,250	\$ 212,363	\$ 222,981
Retirement	3	14,089	14,793	15,533	16,310	17,125	17,982	18,881	19,825	20,816	21,857	22,949
Pers Unfunded Liability	4	14,392	15,193	16,039	16,931	17,874	18,869	19,919	21,028	22,198	23,433	24,738
Dental Plan	3	1,439	1,511	1,586	1,666	1,749	1,837	1,928	2,025	2,126	2,232	2,344
Health Insurance	3	19,558	20,536	21,563	22,641	23,773	24,962	26,210	27,520	28,896	30,341	31,858
Life Insurance	3	199	209	219	230	242	254	267	280	294	309	324
Workers Comp Insurance	3	6,845	7,187	7,547	7,924	8,320	8,736	9,173	9,632	10,113	10,619	11,150
Medicare Tax	3	2,010	2,111	2,216	2,327	2,443	2,565	2,694	2,828	2,970	3,118	3,274
Utilities												
Telephone	2	500	520	541	562	585	608	633	658	684	712	740
Office Supplies	2	1,200	1,248	1,298	1,350	1,404	1,460	1,518	1,579	1,642	1,708	1,776
Postal Services	2	3,400	3,536	3,677	3,825	3,978	4,137	4,302	4,474	4,653	4,839	5,033
Mileage	7	100	105	110	116	122	128	134	141	148	155	163
Training and Meetings	2	5,500	5,720	5,949	6,187	6,434	6,692	6,959	7,238	7,527	7,828	8,141
Repair and Services												
Special Departmental Supplies	2	3,500	3,640	3,786	3,937	4,095	4,258	4,429	4,606	4,790	4,982	5,181
Professional Services ²	3	534,212	560,923	588,969	618,417	649,338	681,805	715,895	751,690	789,274	828,738	870,175
City of Palo Alto RWQCP O&M	6	2,942,788	4,779,893	4,046,181	4,146,251	4,237,033	4,630,986	5,614,317	5,708,835	5,805,602	5,828,031	5,940,567
Other Services	3	1,054,045	1,106,747	1,162,085	1,220,189	1,281,198	1,345,258	1,412,521	1,483,147	1,557,305	1,635,170	1,716,928
Miscellaneous												
Liability Insurance	2	150,000	156,000	162,240	168,730	175,479	182,498	189,798	197,390	205,285	213,497	222,000
TOTAL: Sewer System Administration Expenses		\$ 4,890,668	\$ 6,823,607	\$ 6,190,461	\$ 6,395,060	\$ 6,597,583	\$ 7,107,745	\$ 8,213,024	\$ 8,435,514	\$ 8,666,574	\$ 8,829,931	\$ 9,090,300

Agenda Item 3.

CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Operating Revenue and Expenses
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 7: SEWER FUND OPERATING EXPENSE FORECAST

DESCRIPTION ¹	Basis	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Sewer System Maintenance												
Salaries and Benefits												
Salaries	3	\$ 595,001	\$ 624,751	\$ 655,989	\$ 688,788	\$ 723,227	\$ 759,389	\$ 797,358	\$ 837,226	\$ 879,087	\$ 923,042	\$ 969,194
Overtime	3	56,000	58,800	61,740	64,827	68,068	71,472	75,045	78,798	82,738	86,874	91,218
Specialty Pay	3	6,522	6,848	7,191	7,550	7,928	8,324	8,740	9,177	9,636	10,118	10,624
Retirement	3	72,225	75,836	79,628	83,609	87,790	92,179	96,788	101,628	106,709	112,045	117,647
Pers Unfunded Liability	4	123,348	130,213	137,461	145,112	153,189	161,715	170,716	180,218	190,249	200,838	212,017
Quality of Life	3	5,720	6,006	6,306	6,622	6,953	7,300	7,665	8,049	8,451	8,874	9,317
Dental Plan	3	12,342	12,959	13,607	14,287	15,002	15,752	16,539	17,366	18,235	19,146	20,104
Health Insurance	3	142,427	149,548	157,026	164,877	173,121	181,777	190,866	200,409	210,430	220,951	231,999
Uniforms	2	2,958	3,076	3,199	3,327	3,460	3,599	3,743	3,893	4,048	4,210	4,379
Life Insurance	3	1,347	1,414	1,485	1,559	1,637	1,719	1,805	1,895	1,990	2,090	2,194
Worker's Comp Insurance	3	17,077	17,931	18,827	19,769	20,757	21,795	22,885	24,029	25,231	26,492	27,817
Medicare Tax	3	8,380	8,799	9,239	9,701	10,186	10,695	11,230	11,792	12,381	13,000	13,650
Utilities												
Utilities	5	10,400	10,920	11,466	12,039	12,641	13,273	13,937	14,634	15,366	16,134	16,941
Telephone	2	1,500	1,560	1,622	1,687	1,755	1,825	1,898	1,974	2,053	2,135	2,220
Radio & Radar	2	3,350	3,484	3,623	3,768	3,919	4,076	4,239	4,408	4,585	4,768	4,959
Office Supplies	2	850	884	919	956	994	1,034	1,076	1,119	1,163	1,210	1,258
Postal Services	2	300	312	324	337	351	365	380	395	411	427	444
Mileage	7	2,200	2,310	2,426	2,547	2,674	2,808	2,948	3,096	3,250	3,413	3,584
Training and Meetings	2	7,000	7,280	7,571	7,874	8,189	8,517	8,857	9,212	9,580	9,963	10,362
Memberships	2	12,000	12,480	12,979	13,498	14,038	14,600	15,184	15,791	16,423	17,080	17,763
Gasoline & Oil	7	22,000	23,100	24,255	25,468	26,741	28,078	29,482	30,956	32,504	34,129	35,836
Repair and Services												
Vehicle Maintenance/Repair	2	35,000	36,400	37,856	39,370	40,945	42,583	44,286	46,058	47,900	49,816	51,809
Equipment Repairs	2	7,000	7,280	7,571	7,874	8,189	8,517	8,857	9,212	9,580	9,963	10,362
Building & Grounds	2	7,000	7,280	7,571	7,874	8,189	8,517	8,857	9,212	9,580	9,963	10,362
Rentals	2	10,000	10,400	10,816	11,249	11,699	12,167	12,653	13,159	13,686	14,233	14,802
Special Departmental Supplies	2	50,000	52,000	54,080	56,243	58,493	60,833	63,266	65,797	68,428	71,166	74,012
Professional Services	3	1,300	1,365	1,433	1,505	1,580	1,659	1,742	1,829	1,921	2,017	2,118
Other Services	3	302,267	317,380	333,249	349,912	367,407	385,778	405,067	425,320	446,586	468,915	492,361
TOTAL: Sewer System Maintenance Expenses		\$ 1,515,514	\$ 1,590,618	\$ 1,669,462	\$ 1,752,231	\$ 1,839,124	\$ 1,930,345	\$ 2,026,111	\$ 2,126,649	\$ 2,232,200	\$ 2,343,012	\$ 2,459,350
GRAND TOTAL: SEWER EXPENSES		\$ 6,406,182	\$ 8,414,226	\$ 7,859,922	\$ 8,148,292	\$ 8,436,706	\$ 9,038,089	\$ 10,239,135	\$ 10,562,163	\$ 10,898,774	\$ 11,172,943	\$ 11,549,709

Agenda Item 3.

CITY OF LOS ALTOS
 SEWER RATE STRUCTURE ANALYSIS
 Operating Revenue and Expenses
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 8: FORECASTING ASSUMPTIONS

INFLATION FACTORS ³	Basis	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Customer Growth ⁴	1	--	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
General Cost Inflation	2	--	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Labor & Benefits Cost Inflation	3	--	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
PERS Obligation Inflation ⁵	4	--	5.57%	5.57%	5.57%	5.57%	5.57%	5.57%	5.57%	5.57%	5.57%	5.57%
Energy	5	--	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
RWQCP Treatment ⁶	6	--	6.76%	6.76%	6.76%	6.76%	6.76%	6.76%	6.76%	6.76%	6.76%	6.76%
Fuel	7	--	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
No Escalation	8	--	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

1. Revenue and expenses are budgeted for 2022/2023. Source: *Multiyear Budget to Actual Sewer.pdf*
 2. Invoiced from O&M RWQCP. Confirmed by City staff this is included this accounting line item.
 3. Inflation factors developed with the City and from Bureau of Labor Statistics for the region.
 4. Customer growth is assumed to be zero.
 5. PERS Obligation data source: *los-altos-city-miscellaneous-2016.pdf*.
 6. Treatment Factor based on Palo Alto costs allocated to Los Altos; data project 10 years of O&M costs, which include inflation. From City staff on 11/14/22.

CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Capital Improvement Plan Expenditures
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 9: CAPITAL FUNDING SUMMARY

Capital Funding Forecast	Projected													
	Budget	FY 2023/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33		
Use of Capital Rehabilitation and Replacement Reserve	3,058,000	2,748,040	2,748,040	2,183	3,014,834	5,458,718	3,264,516	28,303	-	2,087,171	2,469,319	6,083,162		
Rate Revenue	-	-	-	5,464,635	3,014,834	5,458,718	3,264,516	5,772,403	3,566,634	4,268,214	1,425,429	1,597,589		
Total Sources of Capital Funds	\$ 3,058,000	\$ 2,748,040	\$ 2,748,040	\$ 5,466,818	\$ 3,014,834	\$ 5,458,718	\$ 3,264,516	\$ 5,800,706	\$ 3,566,634	\$ 6,355,385	\$ 3,894,748	\$ 7,680,751		
Uses of Capital Funds:														
Total Project Costs	\$ 3,058,000	\$ 2,748,040	\$ 2,748,040	\$ 5,466,818	\$ 3,014,834	\$ 5,458,718	\$ 3,264,516	\$ 5,800,706	\$ 3,566,634	\$ 6,355,385	\$ 3,894,748	\$ 7,680,751		
Capital Funding Surplus (Deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		

TABLE 10: CAPITAL IMPROVEMENT PROGRAM COSTS (IN CURRENT YEAR DOLLARS)

Project Description ^{1,2}	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Sewer System Repair Program	\$ 630,000	\$ 640,000	\$ 650,000	\$ 660,000	\$ 670,000	\$ 680,000	\$ 690,000	\$ 700,000	\$ 710,000	\$ 720,000	
Structural Reach Replacement	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	
Root Foaming	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	
CIPP Corrosion Replacement	465,000	480,000	500,000	520,000	535,000	550,000	565,000	580,000	595,000	610,000	
Fats, Oils, Grease Program (FOG)	66,000	68,000	70,000	72,000	74,000	76,000	78,000	80,000	82,000	84,000	
GIS Updates	66,000	68,000	70,000	72,000	74,000	76,000	78,000	80,000	82,000	84,000	
Sewer System Management Plan Update	25,000	25,000	25,000	25,000	75,000	-	-	-	75,000	-	
Sanitary Sewer Video Inspection	430,000	-	440,000	-	-	-	-	-	-	-	
Adobe Creek Sewer Main Replacement	-	-	2,000,000	-	2,000,000	-	2,000,000	-	2,000,000	-	2,000,000
City of Palo Alto RWQCP Minor CIP Fund ³	376,000	387,000	398,000	410,000	422,000	434,000	447,000	460,000	473,000	487,000	
<i>Placeholder for Future Year Capital Projects⁴</i>	-	-	-	-	-	-	-	-	-	-	3,715,200
Total: CIP Program Costs	\$ 3,058,000	\$ 2,668,000	\$ 5,153,000	\$ 2,759,000	\$ 4,850,000	\$ 2,816,000	\$ 4,858,000	\$ 2,900,000	\$ 5,017,000	\$ 2,985,000	\$ 5,715,200

CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Capital Improvement Plan Expenditures
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 11: CAPITAL IMPROVEMENT PROGRAM COSTS (IN FUTURE YEAR DOLLARS)

Project Description	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Sewer System Repair Program	\$ 630,000	\$ 659,200	\$ 689,585	\$ 721,200	\$ 754,091	\$ 788,306	\$ 823,896	\$ 860,912	\$ 899,407	\$ 939,437	\$ -
Structural Reach Replacement	800,000	824,000	848,720	874,182	900,407	927,419	955,242	983,899	1,013,416	1,043,819	-
Root Foaming	200,000	206,000	212,180	218,545	225,102	231,855	238,810	245,975	253,354	260,955	-
CIPP Corrosion Replacement	465,000	494,400	530,450	568,218	602,147	637,601	674,640	713,327	753,728	795,912	-
Fats, Oils, Grease Program (FOG)	66,000	70,040	74,263	78,676	83,288	88,105	93,136	98,390	103,875	109,601	-
GIS Updates	66,000	70,040	74,263	78,676	83,288	88,105	93,136	98,390	103,875	109,601	-
Sewer System Management Plan Update	25,000	25,750	26,523	27,318	84,413	-	-	-	95,008	-	-
Sanitary Sewer Video Inspection	430,000	-	466,796	-	-	-	-	-	2,533,540	-	-
Adobe Creek Sewer Main Replacement	-	-	2,121,800	-	2,251,018	-	2,388,105	-	599,182	-	2,687,833
City of Palo Alto RWQCP Minor CIP Fund ³	376,000	398,610	422,238	448,018	474,965	503,125	533,741	565,742	599,182	635,425	-
Placeholder for Future Year Capital Projects ⁴	-	-	-	-	-	-	-	-	-	-	4,992,918
Total: Capital Improvement Program Costs (Future-Year Dollars)	\$ 3,058,000	\$ 2,748,040	\$ 5,466,818	\$ 3,014,834	\$ 5,458,718	\$ 3,264,516	\$ 5,800,706	\$ 3,566,634	\$ 6,355,385	\$ 3,894,748	\$ 7,680,751

TABLE 12: FORECASTING ASSUMPTIONS

Economic Variables	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Annual Construction Cost Inflation, Per Engineering News Record ⁵	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Cumulative Construction Cost Multiplier from 2023	1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	1.34
Inflation Factor for City of Palo Alto RWQCP Minor CIP Fund ³	0.00%	0.00%	2.84%	3.02%	2.93%	2.84%	3.00%	2.91%	2.83%	2.96%	0.00%
Cumulative Construction Cost Multiplier from 2023	1.00	1.00	1.03	1.06	1.09	1.12	1.16	1.19	1.22	1.26	1.26

1. Capital project costs were provided by City Staff in source file: *fy_21-22_and_22-23_budget.pdf* for the sewer fund.
 City of Palo Alto Wastewater Treatment Plant/Minor CIP Fund Source: 6/1/2022 Partners Meeting Presentation.pdf
 2. Future project costs are inflated by 3.0% per year.
 3. Inflation Factor determined based on file: *6/1/2022 Partners Meeting Presentation.pdf*
 4. NBS has initially estimated Future Projects based on average annual project expenditures for the previous five years; City needs to confirm this amount.
 5. For reference purposes, the annual Construction Cost Inflation percentage is the 10 year average change in the Construction Cost Index for 2012-2022 (3.0%). Source: *Engineering News Record website (http://enr.construction.com)*.

CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Debt Service

Preliminary Draft. Subject to Material Revision, Do Not Cite or Distribute

TABLE 13: WASTEWATER UTILITY EXISTING DEBT OBLIGATIONS

Annual Repayment Schedules:	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
1999 Bond - New Money for Incinerator Rehabilitation Utility Revenue Bond- Los Altos Share is 9.47% ¹											
Principal Payment	\$ 45,456	\$ 47,824	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Payment	\$ 4,897	\$ 2,511	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of Bond Discount and Issuance Cost of New Money Bonds ⁴	\$ 823	\$ 755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal: Annual Debt Service	\$ 51,176	\$ 51,089	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Coverage Requirement (%-Amount above annual payment)	120%	120%	120%	120%	120%	120%	120%	0%	0%	0%	0%
Reserve Requirement (total fund balance)	\$ 18,262	\$ 10,643	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City of Palo Alto 1999 Refunding of 1990 Utility Revenue Bonds- Los Altos share 7.80% ²											
Principal Payment	\$ 19,772	\$ 20,841	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Payment	\$ 2,132	\$ 1,094	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of Issuance Costs and Bond Discount of 1999 Refunding of 1990 Bonds ⁴	\$ 321	\$ 295	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal: Annual Debt Service	\$ 22,226	\$ 22,230	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Coverage Requirement (%-Amount above annual payment)	120%	120%	120%	120%	120%	120%	120%	0%	0%	0%	0%
Reserve Requirement (total fund balance)	\$ 7,938	\$ 4,631	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SWRCB SRF Loan- C-06-5044-110 UV Disinfection Facility- Los Altos share is 9.47% ³											
Principal Payment	\$ 42,858	\$ 43,972	\$ 45,116	\$ 46,289	\$ 47,492	\$ 48,727	\$ 49,994	\$ 51,294	\$ -	\$ -	\$ -
Interest Payment	\$ 9,769	\$ 8,655	\$ 7,512	\$ 6,339	\$ 5,135	\$ 3,900	\$ 2,633	\$ 1,334	\$ -	\$ -	\$ -
Subtotal: Annual Debt Service	\$ 52,627	\$ 52,627	\$ 52,627	\$ 52,627	\$ 52,627	\$ 52,627	\$ 52,627	\$ 52,627	\$ -	\$ -	\$ -
Coverage Requirement (%-Amount above annual payment)	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%
Reserve Requirement (total fund balance)	\$ 37,591	\$ 35,422	\$ 32,892	\$ 29,902	\$ 26,314	\$ 21,928	\$ 16,446	\$ 9,398	\$ -	\$ -	\$ -
California Clean Water SRF Payment Schedule Project No. 8190-110- Sludge Dewatering and Loadout Facility- Los Altos share is 9.47% ⁵											
Principal Payment	\$ 63,875	\$ 65,024	\$ 66,195	\$ 67,386	\$ 68,599	\$ 69,834	\$ 71,091	\$ 72,371	\$ 73,673	\$ 74,999	\$ 76,349
Interest Payment	\$ 39,525	\$ 38,375	\$ 37,205	\$ 36,013	\$ 34,800	\$ 33,565	\$ 32,308	\$ 31,029	\$ 29,726	\$ 28,400	\$ 27,050
Subtotal: Annual Debt Service	\$ 103,399	\$ 103,399	\$ 103,399	\$ 103,399	\$ 103,399	\$ 103,399	\$ 103,399	\$ 103,399	\$ 103,399	\$ 103,399	\$ 103,399
Coverage Requirement (%-Amount above annual payment)	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%
Reserve Requirement (total fund balance)	\$ -	\$ -	\$ 103,399	\$ 103,399	\$ 103,399	\$ 103,399	\$ 103,399	\$ 103,399	\$ 103,399	\$ 103,399	\$ 103,399
2018A Wastewater Utility Revenue Bonds with Capitalized Interest First Bond Issuance ⁵											
Principal Payment	\$ -	\$ -	\$ 65,346	\$ 68,785	\$ 72,224	\$ 75,663	\$ 79,532	\$ 83,402	\$ 87,701	\$ 92,000	\$ 96,729
Interest Payment	\$ 156,249	\$ 156,249	\$ 154,615	\$ 151,262	\$ 147,737	\$ 144,040	\$ 140,160	\$ 136,086	\$ 131,809	\$ 127,316	\$ 122,598
Subtotal: Annual Debt Service	\$ 156,249	\$ 156,249	\$ 219,961	\$ 220,047	\$ 219,961	\$ 219,703	\$ 219,692	\$ 219,488	\$ 219,510	\$ 219,316	\$ 219,327
Coverage Requirement (%-Amount above annual payment)	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%
Reserve Requirement (total fund balance)	\$ -	\$ -	\$ 184,171	\$ 184,171	\$ 184,171	\$ 184,171	\$ 184,171	\$ 184,171	\$ 184,171	\$ 184,171	\$ 184,171

CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Debt Service

Preliminary Draft. Subject to Material Revision, Do Not Cite or Distribute

TABLE 13: WASTEWATER UTILITY EXISTING DEBT OBLIGATIONS

Annual Repayment Schedules:	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
2018A Wastewater Utility Revenue Bonds with Capitalized Interest Second Bond Issuance ⁵											
Principal Payment	\$ -	\$ -	\$ 34,566	\$ 36,460	\$ 37,880	\$ 39,774	\$ 42,142	\$ 44,036	\$ 46,403	\$ 48,771	\$ 51,138
Interest Payment	\$ 82,413	\$ 82,413	\$ 81,549	\$ 79,773	\$ 77,914	\$ 75,973	\$ 73,925	\$ 71,771	\$ 69,510	\$ 67,130	\$ 64,633
Subtotal: Annual Debt Service	\$ 82,413	\$ 82,413	\$ 116,114	\$ 116,232	\$ 115,794	\$ 115,747	\$ 116,067	\$ 115,806	\$ 115,913	\$ 115,901	\$ 115,771
Coverage Requirement (\$-Amount above annual payment)	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%
Reserve Requirement (total fund balance)	\$ -	\$ 97,210	\$ 97,210	\$ 97,210	\$ 97,210	\$ 97,210	\$ 97,210	\$ 97,210	\$ 97,210	\$ 97,210	\$ 97,210
CWSRF Loan with Palo Alto - Secondary Treatment Upgrades (STU) - Los Altos share is 9.47% ⁶											
Principal Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal: Annual Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 686,861	\$ 686,861	\$ 686,861	\$ 686,861	\$ 686,861	\$ 686,861
Coverage Requirement (\$-Amount above annual payment)			120%	120%	120%	120%	120%	120%	120%	120%	120%
Reserve Requirement (total fund balance)	\$ 81,401	\$ 81,401	\$ 81,401	\$ 81,401	\$ 81,401	\$ 81,401	\$ 81,401	\$ 81,401	\$ 81,401	\$ 81,401	\$ 81,401
Grand Total: Existing Annual Debt Service (Palo Alto RWQCP)	\$ 468,090	\$ 468,007	\$ 492,102	\$ 492,306	\$ 491,782	\$ 1,178,338	\$ 1,178,647	\$ 1,178,182	\$ 1,125,683	\$ 1,125,477	\$ 1,125,358
Grand Total: Existing Annual Coverage Requirement	\$ 561,708	\$ 561,608	\$ 590,522	\$ 590,767	\$ 590,138	\$ 1,414,005	\$ 1,414,376	\$ 1,413,818	\$ 1,350,819	\$ 1,350,573	\$ 1,350,429
Grand Total: Existing Debt Reserve Target	\$ 145,192	\$ 413,479	\$ 499,073	\$ 496,083	\$ 492,495	\$ 488,109	\$ 482,627	\$ 475,579	\$ 466,181	\$ 466,181	\$ 466,181

1. Debt Service Schedule from Bond Statement Source: Invoice_7800004388 (Oct 2016) Q2.pdf page 10 of 10 of pdf.

2. Debt Service Schedule from Bond Statement Source: Invoice_7800004388 (Oct 2016) Q2.pdf page 9 of 10 of pdf.

3. Debt Service Schedule from Bond Statement Source: Invoice_7800004388 (Oct 2016) Q2.pdf page 8 of 10 of pdf.

4. Amortization of Issuance Costs and Bond Discounts share is same as share as bonds. Source: Invoice_7800004733.4 (Apr 2017) Q4.pdf and Invoice_7800004733.5 (Apr 2017) Q4.pdf

5. Source: Estimated Debt Service Schedule v2017.9.25.pdf

6. New bond service agreement with City of Palo Alto for STU project. From City staff on Oct. 24, 2022.

EXHIBIT 4

**CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Projected Sewer Rates Under Existing Rate Schedule
*Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute***

TABLE 14: CURRENT WASTEWATER RATE SCHEDULE

Base Charges	Rate per Dwelling Unit	Quantity Charge (per HCF) ¹
FY 22/23 Per-Parcel Sewer Service Charge	\$301.29	\$2.42

1. One Unit is equal to one HCF (Hundred Cubic Feet) or 748 gallons.
Source: *sewer_service_charge_report_fy2122.pdf, signed_resolution_no_2021-28.pdf*

CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Cost of Service Analysis
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 16: CLASSIFICATION OF EXPENSES

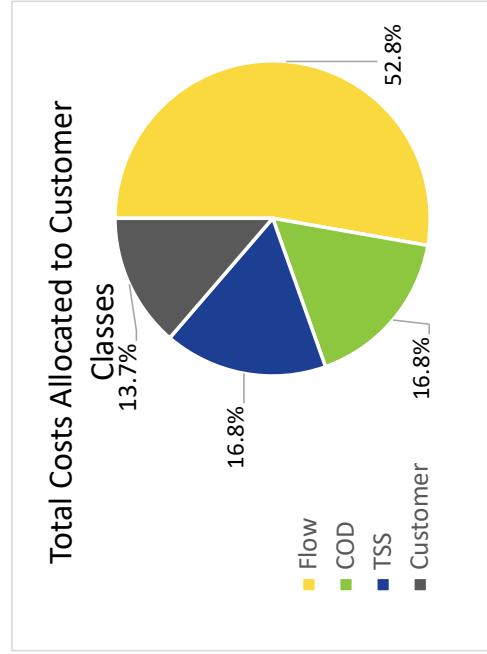
Budget Categories	Total Revenue Requirements FY 2023/24		Flow		Strength		Customer		Basis of Classification					
			(VOL)	(VOL)	(COD)	(TSS)	(CA)	(CA)	(VOL)	(COD)	(TSS)	(CA)		
Sewer System Maintenance														
Salaries and Benefits	\$	624,751	\$	218,663	\$	187,425	\$	187,425	\$	31,238	35.0%	30.0%	30.0%	5.0%
Salaries		58,800		20,580		17,640		17,640		2,940	35.0%	30.0%	30.0%	5.0%
Overtime		6,848		2,397		2,054		2,054		342	35.0%	30.0%	30.0%	5.0%
Specialty Pay		75,836		26,543		22,751		22,751		3,792	35.0%	30.0%	30.0%	5.0%
Retirement		130,213		45,575		39,064		39,064		6,511	35.0%	30.0%	30.0%	5.0%
Pers Unfunded Liability		6,006		2,102		1,802		1,802		300	35.0%	30.0%	30.0%	5.0%
Quality of Life		12,959		4,536		3,888		3,888		648	35.0%	30.0%	30.0%	5.0%
Dental Plan		149,548		52,342		44,865		44,865		7,477	35.0%	30.0%	30.0%	5.0%
Health Insurance		3,076		1,077		923		923		154	35.0%	30.0%	30.0%	5.0%
Uniforms		1,414		495		424		424		71	35.0%	30.0%	30.0%	5.0%
Life Insurance		17,931		6,276		5,379		5,379		897	35.0%	30.0%	30.0%	5.0%
Workers Comp Insurance		8,799		3,080		2,640		2,640		440	35.0%	30.0%	30.0%	5.0%
Medicare Tax														
Utilities		10,920		8,190		1,092		1,092		546	75.0%	10.0%	10.0%	5.0%
Utilities		1,560		546		468		468		78	35.0%	30.0%	30.0%	5.0%
Telephone		3,484		1,219		1,045		1,045		174	35.0%	30.0%	30.0%	5.0%
Radio & Radar		884		-		-		-		884	0.0%	0.0%	100.0%	0.0%
Office Supplies		312		-		-		-		312	0.0%	0.0%	100.0%	0.0%
Postal Services		2,310		809		693		693		116	35.0%	30.0%	30.0%	5.0%
Mileage		7,280		2,548		2,184		2,184		364	35.0%	30.0%	30.0%	5.0%
Training and Meetings		12,480		4,368		3,744		3,744		624	35.0%	30.0%	30.0%	5.0%
Memberships		23,100		23,100		-		-		-	100.0%	0.0%	0.0%	0.0%
Gasoline & Oil														
Repair and Services		36,400		27,300		3,640		3,640		1,820	75.0%	10.0%	10.0%	5.0%
Vehicle Maintenance/Repair		7,280		5,460		728		728		364	75.0%	10.0%	10.0%	5.0%
Equipment Repairs		7,280		5,460		728		728		364	75.0%	10.0%	10.0%	5.0%
Building & Grounds		10,400		7,800		1,040		1,040		520	75.0%	10.0%	10.0%	5.0%
Rentals		52,000		39,000		5,200		5,200		2,600	75.0%	10.0%	10.0%	5.0%
Special Departmental Supplies		1,365		1,024		137		137		68	75.0%	10.0%	10.0%	5.0%
Professional Services		317,380		174,559		31,738		31,738		79,345	55.0%	10.0%	10.0%	25.0%
Other Services														
SUB-TOTAL	\$	1,590,618	\$	685,047	\$	381,292	\$	381,292	\$	142,988	43.1%	24.0%	24.0%	9.0%
GRAND TOTAL - Sewer System	\$	8,414,226	\$	4,688,136	\$	1,488,413	\$	1,488,413	\$	749,265	55.7%	17.7%	17.7%	8.9%

TABLE 17: CLASSIFICATION OF EXPENSES

Budget Categories	Total Revenue Requirements FY 2023/24		Flow		Strength		Customer		Basis of Classification			
	(VOL)	(TSS)	(VOL)	(TSS)	(COD)	(TSS)	(CA)	(VOL)	(COD)	(TSS)	(CA)	
Debt Service Payments												
Existing Annual Debt Service	\$ 468,007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 468,007	0.0%	0.0%	0.0%	100.0%	
Future Annual Debt Service	-	-	-	-	-	-	-	0.0%	0.0%	0.0%	100.0%	
Total Debt Service Payments	\$ 468,007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 468,007	0.0%	0.0%	0.0%	100.0%	
Capital Expenditures												
Rate Funded Capital Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	55.7%	17.7%	17.7%	8.9%	
TOTAL REVENUE REQUIREMENTS	\$ 8,882,232	\$ 4,688,136	\$ 1,488,413	\$ 1,488,413	\$ 1,488,413	\$ 1,488,413	\$ 1,217,272	52.8%	16.8%	16.8%	13.7%	
Less: Non-Rate Revenues												
Sewer Service Charge not on Tax Roll	\$ (600,000)	(316,686)	(100,543)	(100,543)	(100,543)	(100,543)	(82,227)	52.8%	16.8%	16.8%	13.7%	
Other Revenues	\$ (15,000)	(7,917)	(2,514)	(2,514)	(2,514)	(2,056)	(2,056)	52.8%	16.8%	16.8%	13.7%	
Interest Income	\$ (77,867)	(41,099)	(13,048)	(13,048)	(13,048)	(10,671)	(10,671)	52.8%	16.8%	16.8%	13.7%	
NET REVENUE REQUIREMENTS	\$ 8,189,365	\$ 4,322,433	\$ 1,372,308	\$ 1,372,308	\$ 1,372,308	\$ 1,122,317	\$ 1,122,317	52.8%	16.8%	16.8%	13.7%	
Allocation of Revenue Requirements	100.0%	52.8%	16.8%	16.8%	16.8%	16.8%	13.7%					
<i>Revenue Req. Check from Financial Plan</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					

TABLE 18: ADJUSTMENT TO CLASSIFICATION OF EXPENSES

	Total	Flow	COD	TSS	Customer
Adjustment to Current Rate Level:	\$ 9,096,500	\$ 4,801,228	\$ 1,524,318	\$ 1,524,318	\$ 1,246,636
Adjusted Net Revenue Req'ts	\$ 9,096,500	\$ 4,801,228	\$ 1,524,318	\$ 1,524,318	\$ 1,246,636
<i>Percent of Revenue</i>		52.8%	16.8%	16.8%	13.7%



Current Revenue	
Fixed	\$ 3,602,482
Variable	\$ 2,364,214
Total	\$ 5,966,696

TABLE 19: DEVELOPMENT OF THE VOLUME ALLOCATION FACTOR

Customer Class ¹	Number of Accounts	Annual Winter-Average Based Volume (HCF)	Adjusted Annual Volume (HCF) ²	Percentage of Adjusted Volume
Residential				
Single Family Home	10,363	1,062,455	959,544	80.3%
Multifamily Residence (2 units)	65	2,744	2,478	0.2%
Multifamily Residence (3-4 units)	11	475	429	0.0%
Multifamily Residence (5+ units)	68	60,592	54,723	4.6%
Condominium Unit	1,033	52,954	47,825	4.0%
Commercial				
Commercial/Industrial	458	41,829	37,778	3.2%
Church	22	4,001	3,614	0.3%
Restaurant	69	78,160	70,589	5.9%
Public/Institutional				
Government	10	3,207	2,896	0.2%
Institutional	3	10,369	9,365	0.8%
Parks	4	2,119	1,913	0.2%
School	10	3,991	3,604	0.3%
Total:	12,116	1,322,896	1,194,758	100%
			<i>1,194,758 Flow (hcf/yr.)</i>	
			<i>0.90 Flow Adjust.</i>	

1. Customer billing data summarized from data source: "Data for Report, 2021.22.IT.xlsx"
2. Actual plant data from source file: Los Altos Monthly Flow BOD TSS NH3 pounds FY 19.20.21.xlsx

TABLE 20: DEVELOPMENT OF THE STRENGTH ALLOCATION FACTOR

Customer Class	Adjusted Annual Volume Total (HCF)	Annual Flow (million gallons)	Chemical Oxygen Demand (COD)			Total Suspended Solids (TSS)			
			Average Strength Factor (mg/l) ¹	Calculated COD (lbs./yr.)	Adjusted COD (lbs./yr.)	Percent of Total	Average Strength Factor (mg/l) ¹	Adjusted TSS (lbs./yr.)	Percent of Total
Residential									
Single Family Home	959,544	717.79	622	3,723,506	4,049,292	72.0%	250	1,979,172	74.8%
Multifamily Residence (2 units)	2,478	1.85	622	9,617	10,458	0.2%	250	5,112	0.2%
Multifamily Residence (3-4 units)	429	0.32	622	1,664	1,809	0.0%	250	884	0.0%
Multifamily Residence (5+ units)	54,723	40.94	622	212,352	230,932	4.1%	250	112,873	4.3%
Condominium Unit	47,825	35.78	622	185,584	201,821	3.6%	250	98,644	3.7%
Commercial									
Commercial/Industrial	37,778	28.26	622	146,596	159,422	2.8%	250	77,921	2.9%
Church	3,614	2.70	622	14,023	15,250	0.3%	250	7,454	0.3%
Restaurant	70,589	52.80	1,888	831,453	904,200	16.1%	600	349,437	13.2%
Public/Institutional									
Government	2,896	2.17	419	7,570	8,233	0.1%	100	2,389	0.1%
Institutional	9,365	7.01	419	24,480	26,622	0.5%	100	7,727	0.3%
Parks	1,913	1.43	419	5,002	5,439	0.1%	100	1,579	0.1%
School	3,604	2.70	419	9,421	10,246	0.2%	100	2,974	0.1%
Total:	1,194,758	894		5,171,268	5,623,725	100%		2,646,165	100%

1. BOD strength factors (Source: Page G-21, SWRCB Revenue Program Guidelines-Appendix G) converted to COD using formula referenced in Operation of Municipal Wastewater Treatment Plants, Chapter 17, pg. 9.

CITY OF LOS ALTOS
 SEWER RATE STRUCTURE ANALYSIS
 Sewer Cost of Service Analysis
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 21: DEVELOPMENT OF THE CUSTOMER ALLOCATION FACTOR

Customer Class	Number of Accounts ¹	Percent of Total	Number of Equivalent Dwelling Units ¹	Percent of Total
Residential				
Single Family Home	10,363	85.5%	10,363	71.0%
Multifamily Residence (2 units)	65	0.5%	130	0.9%
Multifamily Residence (3-4 units)	11	0.1%	34	0.2%
Multifamily Residence (5+ units)	68	0.6%	716	4.9%
Condominium Unit	1,033	8.5%	1,033	7.1%
Commercial				
Commercial/Industrial	458	3.8%	902	6.2%
Church	22	0.2%	108	0.7%
Restaurant	69	0.6%	770	5.3%
Public/Institutional				
Government	10	0.1%	89	0.6%
Institutional	3	0.0%	283	1.9%
Parks	4	0.0%	58	0.4%
School	10	0.1%	109	0.7%
Total:	12,116	100%	14,595	100%
Vacant	15		4	
N/A	3		-	
Grand Total:	12,134		14,599	

1. Data Source: ~Data for Report_2021.22_IT.xlsx

Type	COD ²
Professional Office	419
Schools & College	419
Residential - Low	537
Residential - High	622
Restaurant	1,888

1. BOD strength factors source: Page G-21, SWRCB Revenue Program Guidelin
 2. COD conversion formula source: Operation of Municipal Wastewater Treat
 Figure 17-2. Conversion formula based on regression of actual treatment pl
 relationship between BOD and COD.

CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Sewer Cost of Service Analysis
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 22: COST OF SERVICE ALLOCATIONS BY CUSTOMER CLASS

Cost Classification Components ¹	Volume	Treatment		Customer Related	Cost-of-Service Net Revenue Requirement	% of COS Net Revenue Req't.
		COD	TSS			
Net Revenue Requirements	\$ 4,801,228	\$ 1,524,318	\$ 1,524,318	\$ 1,246,636	\$ 9,096,500	--
% of Net Revenue Requirements	52.8%	16.8%	16.8%	13.7%	100.0%	
Residential						
Single Family Home	\$ 3,856,003	\$ 1,097,566	\$ 1,140,098	\$ 1,066,267	\$ 7,159,933	78.7%
Multifamily Residence (2 units)	9,959	2,835	2,945	6,688	22,426	0.2%
Multifamily Residence (3-4 units)	1,723	490	509	1,132	3,854	0.0%
Multifamily Residence (5+ units)	219,908	62,594	65,020	6,997	354,519	3.9%
Condominium Unit	192,188	54,704	56,824	106,287	410,003	4.5%
Commercial						
Commercial/Industrial	151,813	43,212	44,886	47,124	287,035	3.2%
Church	14,522	4,134	4,294	2,264	25,213	0.3%
Restaurant	283,669	245,085	201,292	7,100	737,145	8.1%
Public/Institutional						
Government	11,638	2,232	1,376	1,029	16,275	0.2%
Institutional	37,634	7,216	4,451	309	49,609	0.5%
Parks	7,689	1,474	909	412	10,485	0.1%
School	14,483	2,777	1,713	1,029	20,002	0.2%
Total	\$ 4,801,228	\$ 1,524,318	\$ 1,524,318	\$ 1,246,636	\$ 9,096,500	100%

1. Revenue requirement for each customer class is determined by multiplying the revenue requirement from each cost classification by the allocation factors for each customer class.

CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Sewer Cost of Service Analysis
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 23: SEWER RATE CALCULATION

Customer Class	Number of Accounts	No. of Equivalent Dwelling Units	Annual Billable Volume (hcf)	Annual Rev. Req t ¹			Annual Fixed Charge (\$ Per EDU) ²	Volumetric Charge Per hcf ³
				Total	Fixed	Volumetric		
Residential								
Single Family Home	10,363	10,363	1,062,455	\$7,159,933	3,723,165	3,436,768	\$324.09	\$3.30
Multifamily Residence (2 units)	65	130	2,744	\$22,426	11,662	10,765	\$324.09	\$3.30
Multifamily Residence (3-4 units)	11	34	475	\$3,854	2,004	1,850	\$324.09	\$3.30
Multifamily Residence (5+ units)	68	716	60,592	\$354,519	184,350	170,169	\$324.09	\$3.30
Condominium Unit	1,033	1,033	52,954	\$410,003	213,201	196,801	\$324.09	\$3.30
Commercial								
Commercial/Industrial	458	902	41,829	287,035	149,258	137,777	\$324.09	\$3.30
Church	22	108	4,001	25,213	13,111	12,102	\$324.09	\$3.30
Restaurant	69	770	78,160	737,145	383,316	353,830	\$324.09	\$3.30
Public/Institutional								
Government	10	89	3,207	16,275	8,463	7,812	\$324.09	\$3.30
Institutional	3	283	10,369	49,609	25,797	23,812	\$324.09	\$3.30
Parks	4	58	2,119	10,485	5,452	5,033	\$324.09	\$3.30
School	10	109	3,991	20,002	10,401	9,601	\$324.09	\$3.30
Total	12,116	14,595	1,322,896	\$9,096,500	\$4,730,180	\$4,366,320	--	--
				100%	52%	48%		
				<i>Percent of Revenue from Fixed vs. Volumetric Charges</i>				

1. Annual revenue requirement adjusted to 52 percent collected from fixed rates and the rest from volumetric rates.

2. Annual fixed charge calculated by dividing the total fixed revenue by the total number of EDUs.

3. Volumetric charge per unit of usage (HCF) calculated by dividing the total variable revenue by the annual billable volume.

CITY OF LOS ALTOS
 SEWER RATE STRUCTURE ANALYSIS
 Sewer Cost of Service Analysis/Rate Design
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 24: SEWER RATE CALCULATION FOR FIXED CHARGES

Fixed Charges (per EDU)	Total Revenue Requirements	% of Total Rev. Req't. from Fixed Charges	Fixed Charges	Number of Equivalent Dwelling Units	Rate per EDU
	A	B	C = A * B	D	E = C / D
All Customers	\$9,096,500	52%	\$4,730,180	14,595	\$324.09

TABLE 25: SEWER RATE CALCULATION FOR VOLUMETRIC CHARGES

Volumetric Charges (per HCF)	Total Revenue Requirements	% of Total Rev. Req't. from Volumetric Charges	Volumetric Charges	Annual Billable Volume (hcf)	Rate per HCF
	F	G = I - B	H = F * G	I	J = H / I
All Customers	\$9,096,500	48%	\$4,366,320	1,322,896	\$3.30

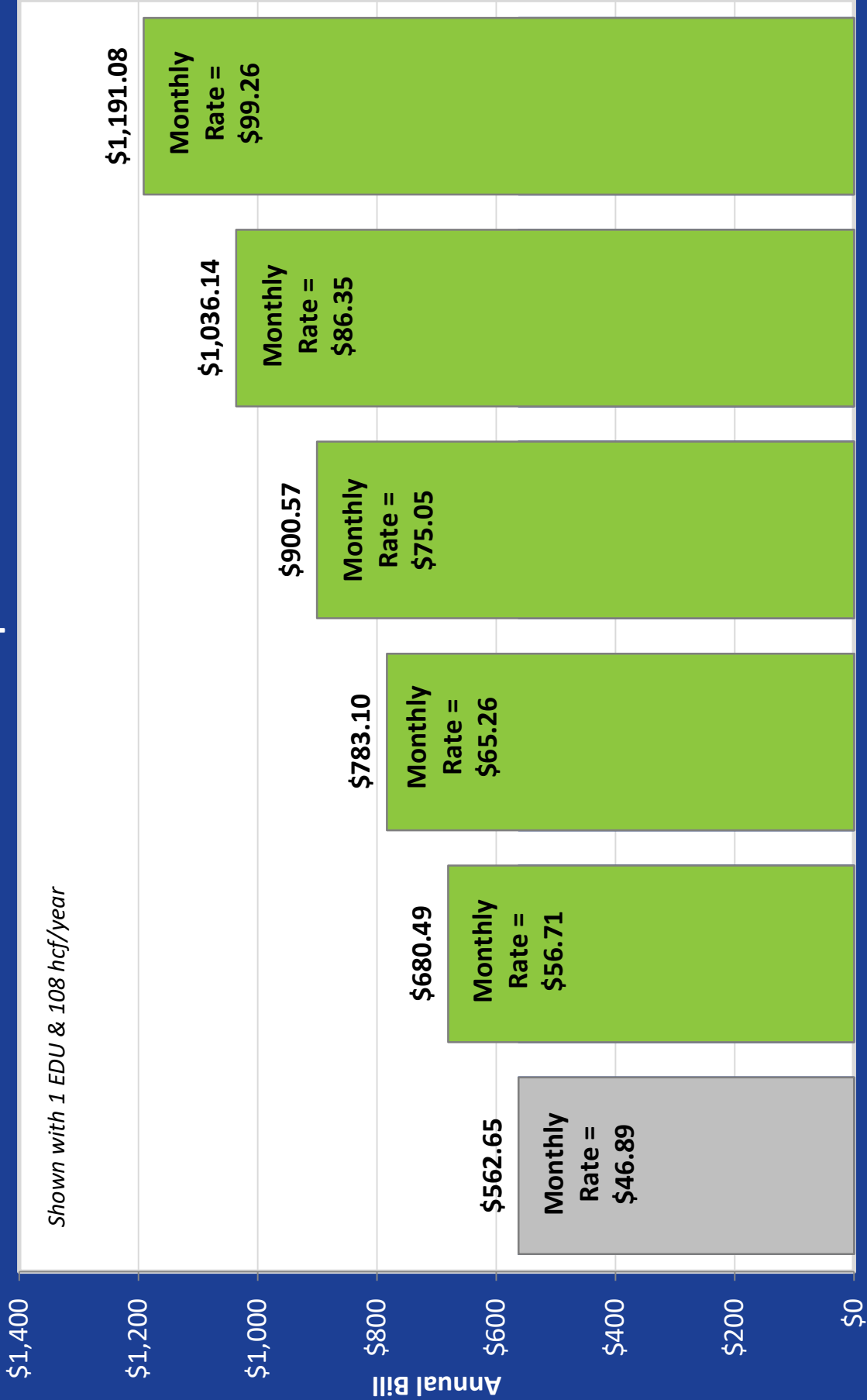
TABLE 26: CURRENT VS. PROPOSED SEWER RATES

Sewer Rate Schedule	Current Rates	Proposed Yearly Sewer Rates				
		Year 1 FY 2023/24	Year 2 FY 2024/25	Year 3 FY 2025/26	Year 4 FY 2026/27	Year 5 FY 2027/28
Annual Fixed Service Charge per EDU	\$301.29	\$324.09	\$372.70	\$428.61	\$492.90	\$566.84
Volumetric Rate (\$/hcf) ^{1,2}	\$2.42	\$3.30	\$3.80	\$4.37	\$5.03	\$5.78

1. One Unit is equal to one HCF (Hundred Cubic Feet) or 748 gallons.
 2. Rates are charged based on average winter water consumption (three lowest consecutive months from previous year).

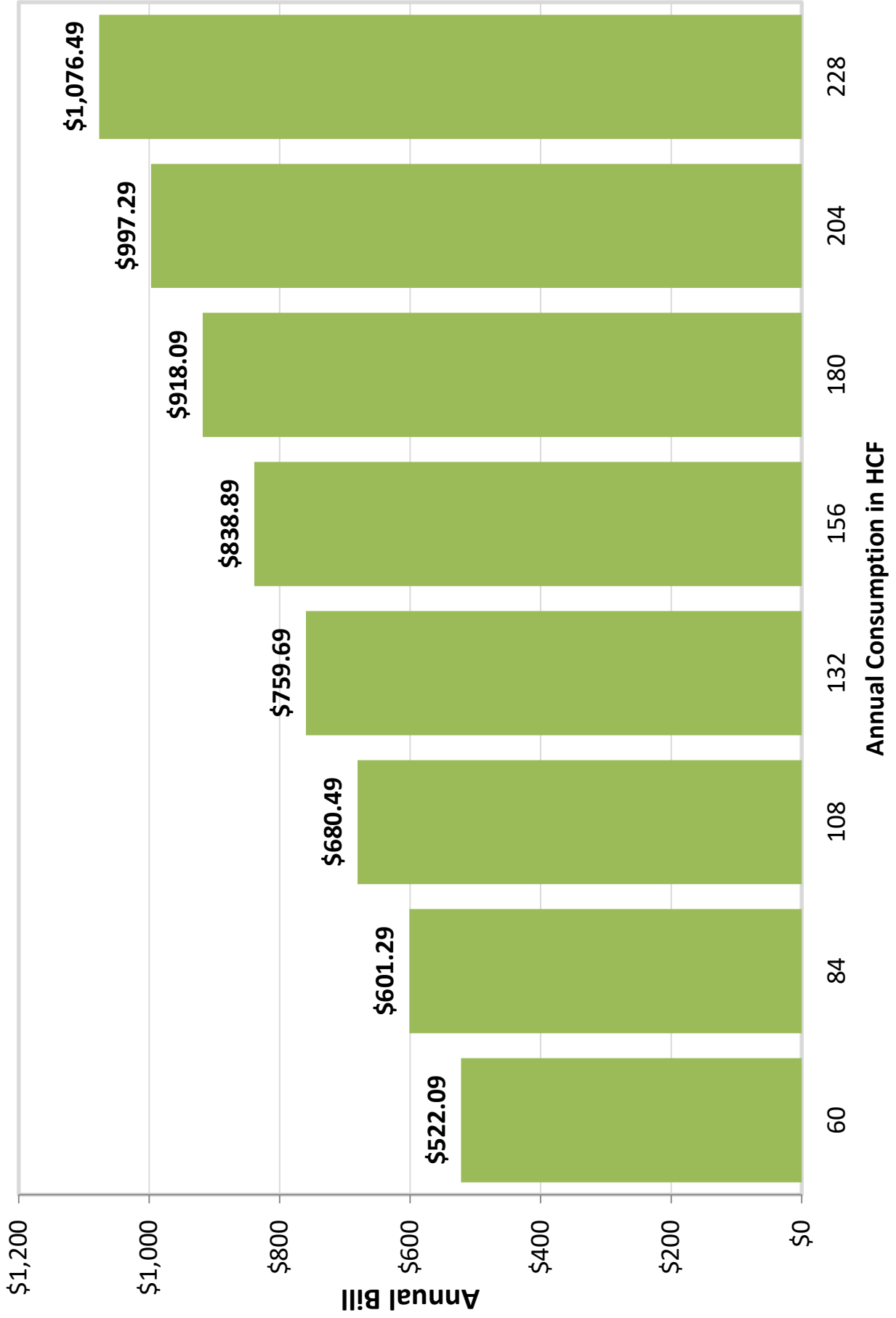
5 Year Annual Single Family Residential Sewer Bill Comparison

Current vs. Proposed Rates

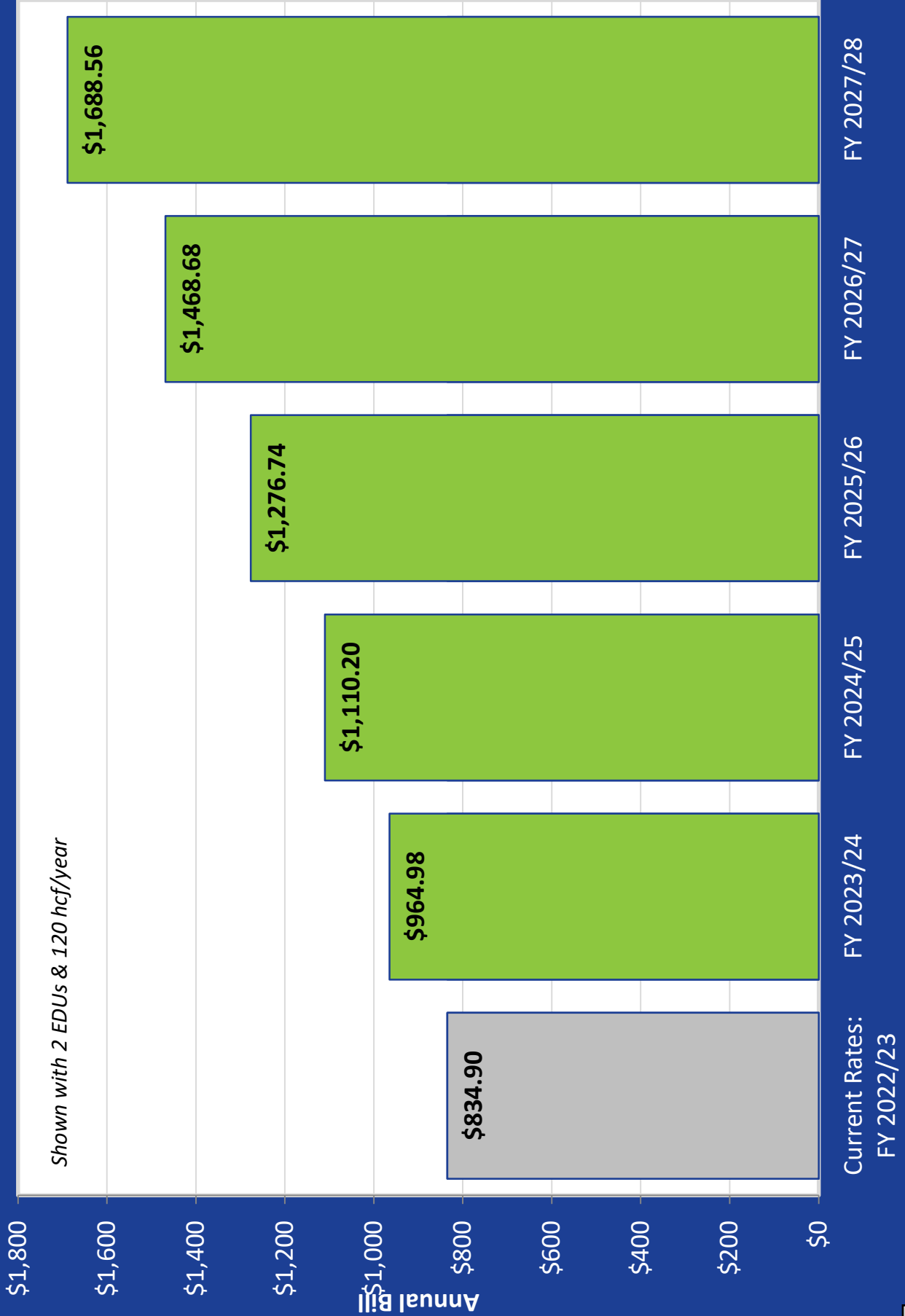


Current Rates: FY 2022/23 Proposed Rates: FY 2023/24 Proposed Rates: FY 2024/25 Proposed Rates: FY 2025/26 Proposed Rates: FY 2026/27 Proposed Rates: FY 2027/28

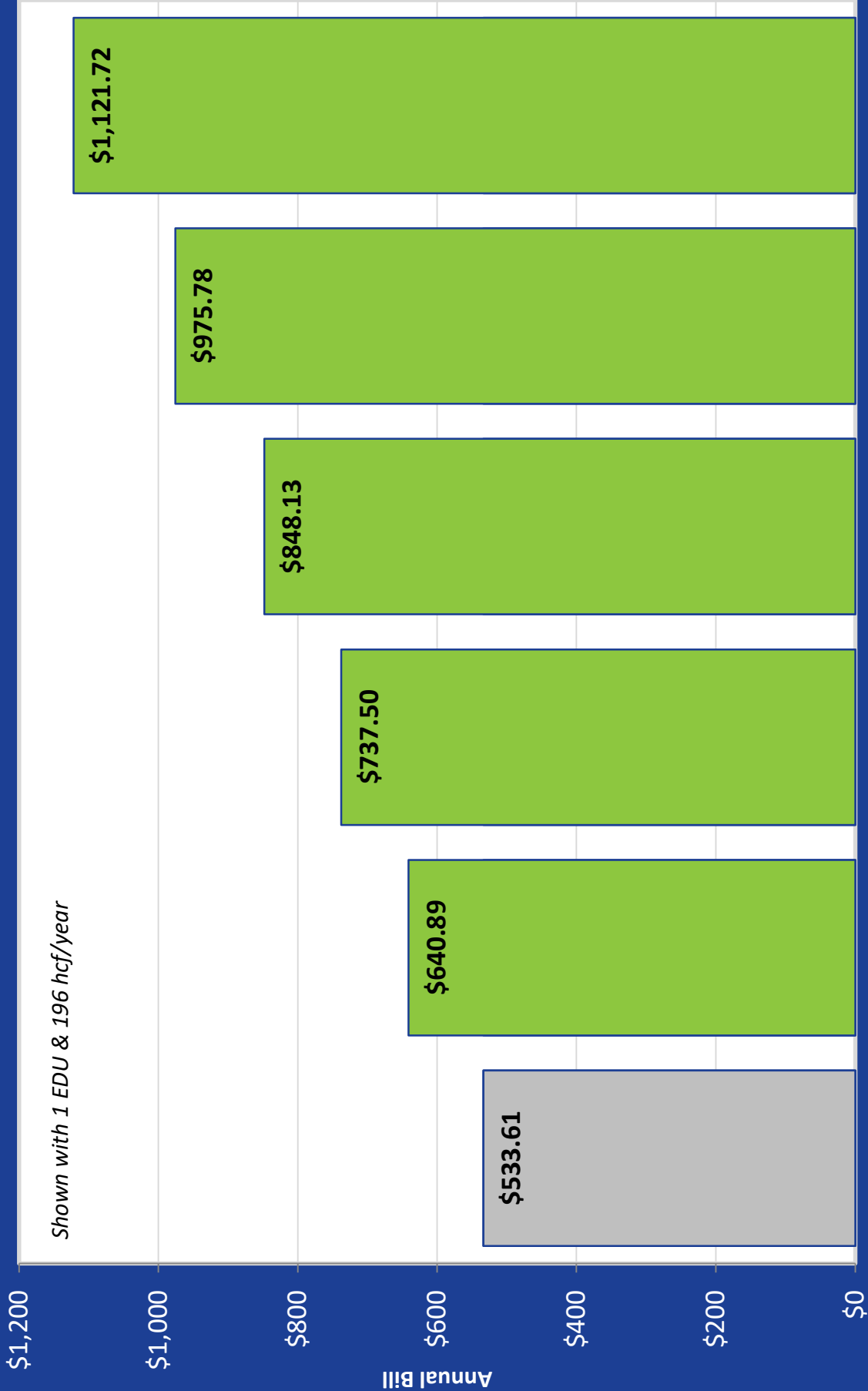
Annual Single Family Residential Sewer Bill Comparison Current vs. Proposed Rates with Various Consumption Levels



5 Year Annual Multi Family Residential Sewer Bill Comparison Current vs. Proposed Rates

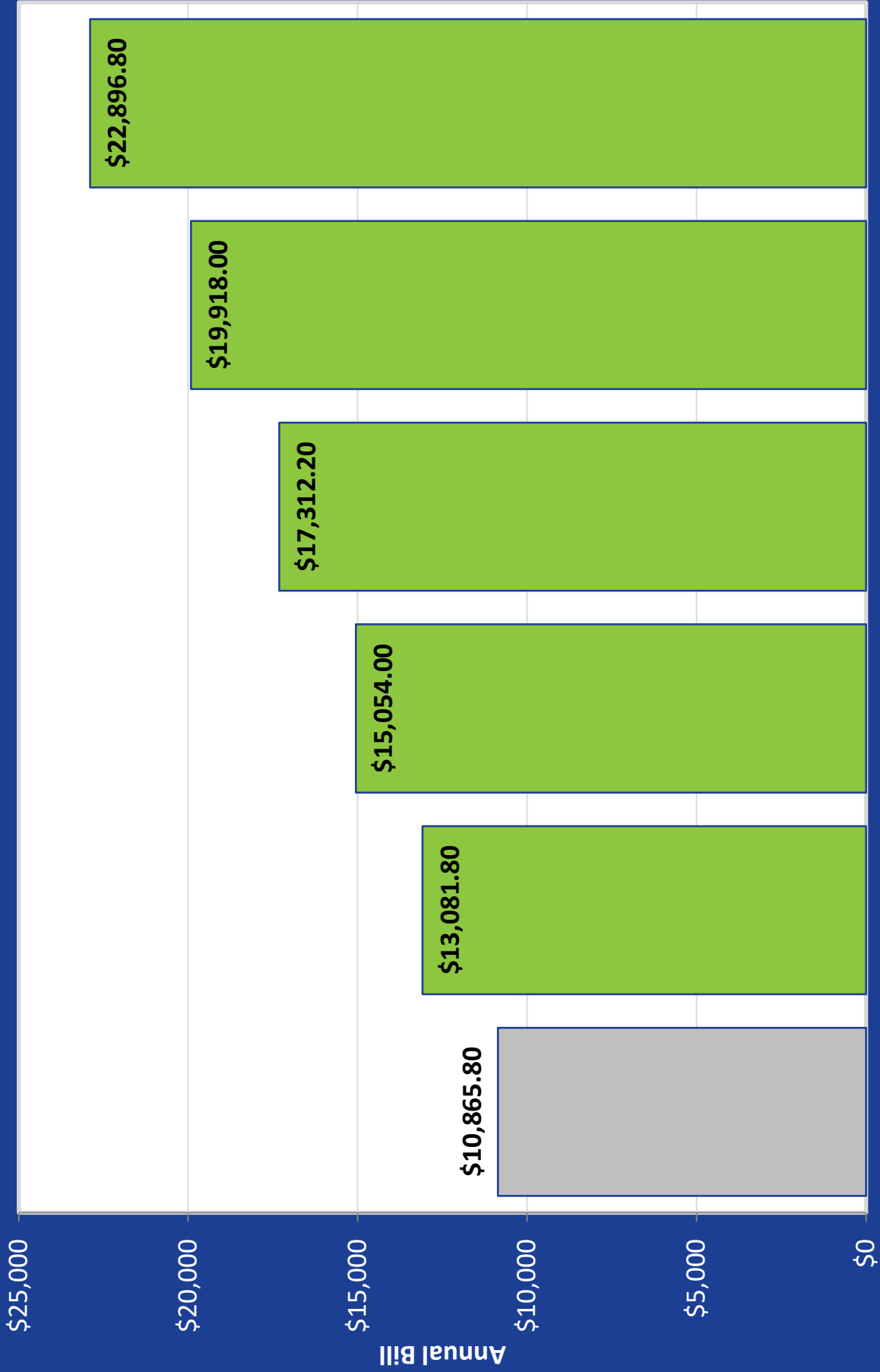


5 Year Annual Commercial Sewer Bill Comparison Current vs. Proposed Rates

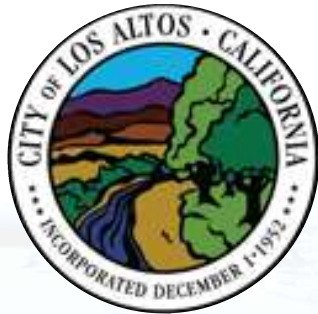


Current Rates: FY 2022/23 Proposed Rates: FY 2023/24 Proposed Rates: FY 2024/25 Proposed Rates: FY 2025/26 Proposed Rates: FY 2026/27 Proposed Rates: FY 2027/28

5 Year Annual Restaurant Sewer Bill Comparison Current vs. Proposed Rates (20 EDUs & 2,000 hcf)



Current Rates: FY 2022/23 Proposed Rates: FY 2023/24 Proposed Rates: FY 2024/25 Proposed Rates: FY 2025/26 Proposed Rates: FY 2026/27 Proposed Rates: FY 2027/28



City of Los Altos Sewer Rate Study

November 21, 2022

Presentation Overview

- Approach
- Financial Plan
- Cost of Service
- Rate Design and Proposed Rates
- Bill Impact
- Next Steps

Our Approach is Based on a 3- Step Process

- Based on the 7th Edition & Water Environment Federation (WEF) Financing and Charges for Wastewater Systems, Manual of Practice 27
- This approach is widely used across the industry

1 FINANCIAL PLAN

Compares current sources and uses of funds and determines the revenue needed from rates and projects rate adjustments.

2 COST-OF-SERVICE ANALYSIS

Proportionately allocates the revenue requirements to the customer classes in compliance with industry standards and State Law.

3 RATE DESIGN ANALYSIS

Considers what rate structure will best meet the City's need to collect rate revenue from each customer class.

FINANCIAL PLAN

FINANCIAL PLAN

- The Financial Plan estimates the costs to be recovered from rates (rate revenue requirement)
- These costs include O&M, debt service, planned pay-as-you-go capital projects, and reaching target fund balances
- Rate revenue requirements = O&M + debt service + capital – non rate revenues

THE CITY HAS OPERATING, CAPITAL, & PALO ALTO RWQCP RESERVE FUNDS

- The operating fund target was estimated 180 days of O&M costs (about \$4.1M).
- The capital reserve fund equal to the average annual capital expenditures (about \$3.3M).
- Palo Alto RWQCP fund target equal to one year of CIP costs that the City pays to Palo Alto (about \$800K)

RATE REVENUE REQUIREMENTS

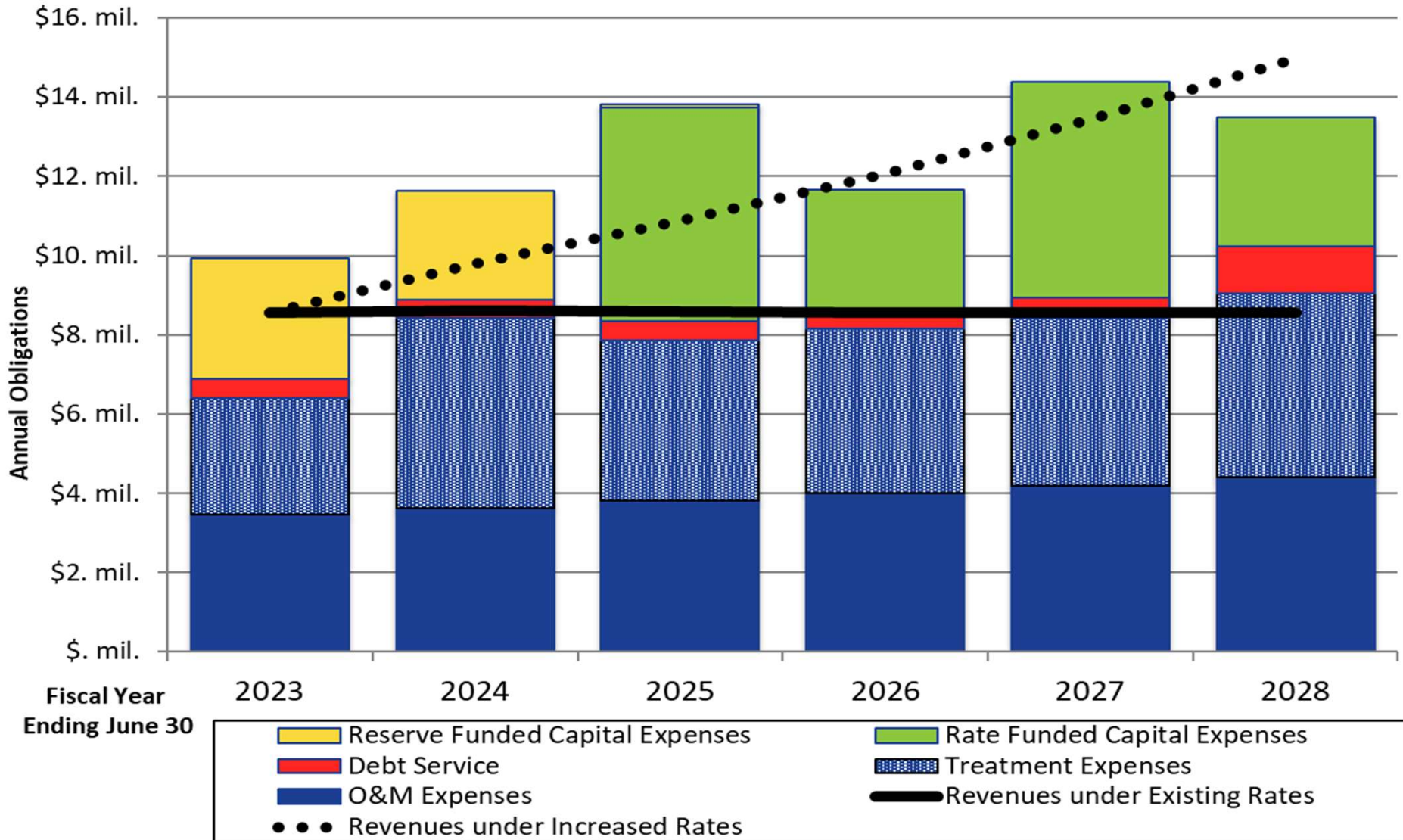
Summary of Sources and Uses of Funds and Net Revenue Requirements	Budget	Projected				
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Sources of Wastewater Funds						
Rate Revenue Under Prevailing Rates	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000
Additional Revenue from Rate Increases ¹	-	1,186,500	2,278,080	3,500,650	4,869,928	6,403,519
Sewer Service Charge not on Tax Roll	600,000	600,000	600,000	600,000	600,000	600,000
Non-Rate Revenues	55,000	93,630	78,077	52,898	57,235	50,075
Total Sources of Funds	\$ 8,565,000	\$ 9,790,130	\$ 10,866,157	\$ 12,063,547	\$ 13,437,162	\$ 14,963,594
Uses of Wastewater Funds						
Operating Expenses	\$ 6,406,182	\$ 8,414,226	\$ 7,859,922	\$ 8,148,292	\$ 8,436,706	\$ 9,038,089
Debt Service	468,090	468,007	492,102	492,306	491,782	1,178,338
Rate-Funded Capital Expenses	-	-	5,374,635	3,014,834	5,458,718	3,264,516
Total Use of Funds	\$ 6,874,272	\$ 8,882,232	\$ 13,726,659	\$ 11,655,431	\$ 14,387,206	\$ 13,480,943
Projected Annual Rate Increase	0.00%	15.00%	12.00%	12.00%	12.00%	12.00%
Cumulative Rate Increases	0.00%	15.00%	28.80%	44.26%	61.57%	80.95%
Rate Revenue with Annual Rate Increase(s)	\$ 7,910,000	\$ 9,096,500	\$ 10,188,080	\$ 11,410,650	\$ 12,779,928	\$ 14,313,519
Surplus (Deficiency) before Rate Increase	1,690,728	907,897	(2,860,501)	408,116	(950,044)	1,482,651
Surplus (Deficiency) after Rate Increase	1,690,728	2,094,397	(582,421)	3,908,765	3,919,884	7,886,170
Net Revenue Requirement²	\$ 6,219,272	\$ 8,188,603	\$ 13,048,581	\$ 11,002,534	\$ 13,729,971	\$ 12,830,868

1. Assumes new rates are implemented July 1, 2023.

2. Total Use of Funds less non-rate revenues. This is the annual amount needed from wastewater rates.

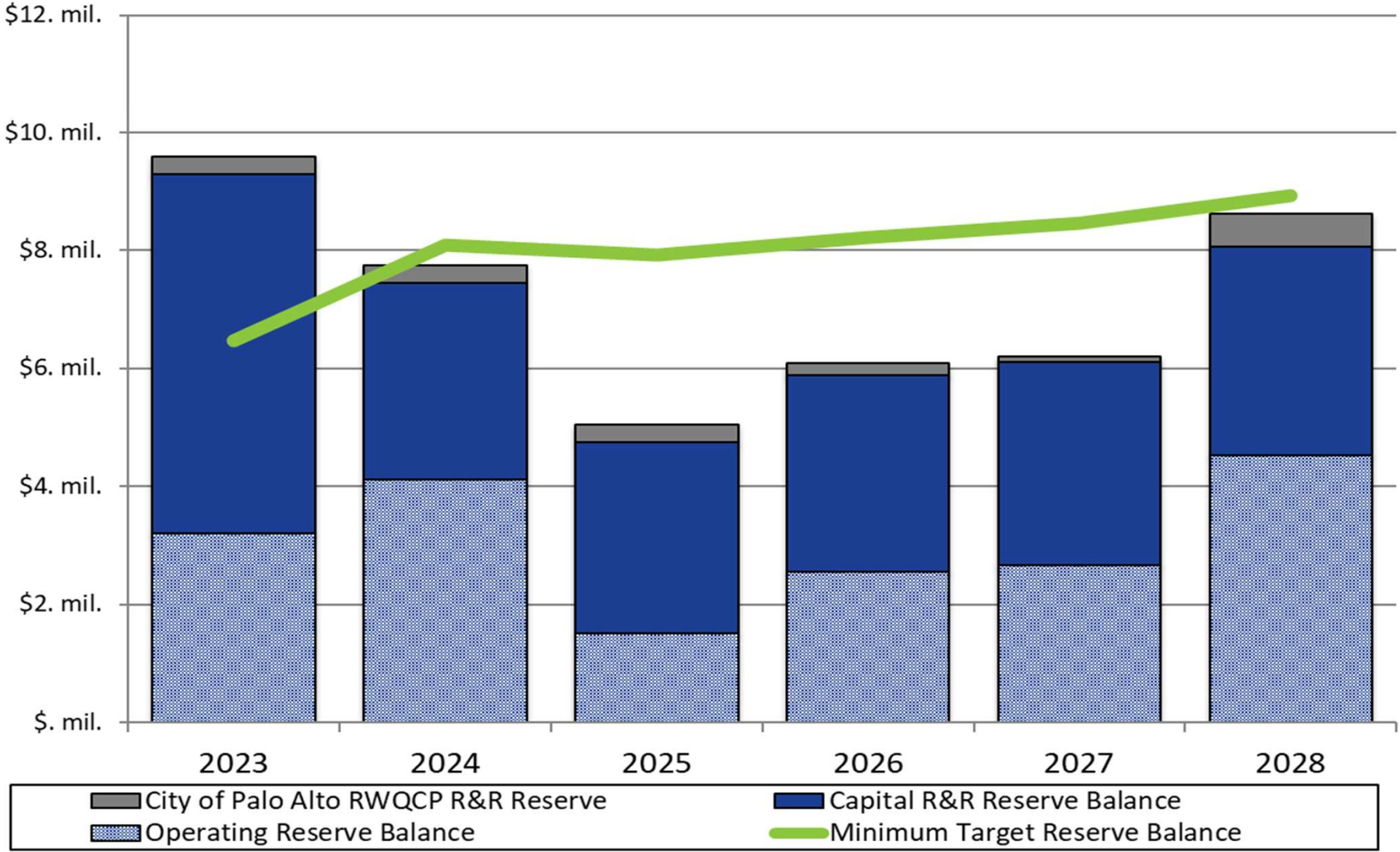
RATE REVENUE REQUIREMENTS

Sewer Revenue Requirements vs. Revenue Under Existing and Increased Rates



RESERVES USE FOR CAPITAL THEN BUILD UP AGAIN

Ending Cash Balances vs. Recommended Reserve Targets (Sewer Fund: Un-Restricted Reserves)



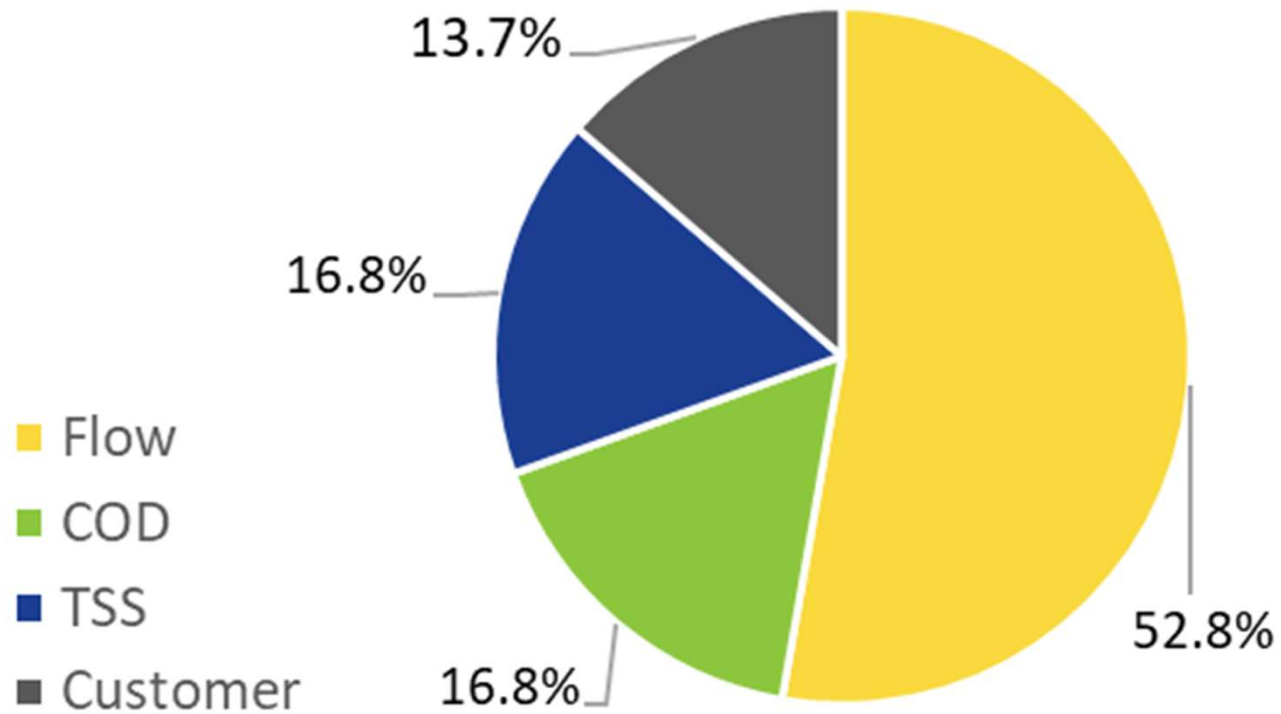
COST OF SERVICE (COS)

COS ALLOCATES COSTS TO CUSTOMERS BASED ON THEIR CUSTOMER BILLING STATISTICS

- First, WW costs are allocated to four parameters
 - Customer Costs
 - Flow Related Costs
 - Chemical Oxygen Demand (COD) Costs
 - Total Suspended Solids (TSS) Costs
- Then, costs are allocated to customers based on their contribution to the plant

RESULTING COST OF SERVICE ANALYSIS

Total Costs Allocated to Customer Classes



RATE DESIGN

RATE DESIGN GOALS INCLUDE

- Follows cost of service (equitable & non-discriminating)
- Ease of administration and understanding
- Provide revenue stability

The current rate structure meets these criteria, so it makes sense to leave the rate structure as is

RATE CALCULATION FOR FY 2023/24

Fixed Charges (per EDU)	Total Revenue Requirements	% of Total Rev. Req't. from Fixed Charges	Fixed Charges	Number of Equivalent Dwelling Units	Rate per EDU
	<i>A</i>	<i>B</i>	$C = A * B$	<i>D</i>	$E = C / D$
All Customers	\$9,096,500	52%	\$4,730,180	14,595	\$324.09

Volumetric Charges (per HCF)	Total Revenue Requirements	% of Total Rev. Req't. from Volumetric Charges	Volumetric Charges	Annual Billable Volume (hcf)	Rate per HCF
	<i>F</i>	$G = 1 - B$	$H = F * G$	<i>I</i>	$J = H / I$
All Customers	\$9,096,500	48%	\$4,366,320	1,322,896	\$3.30

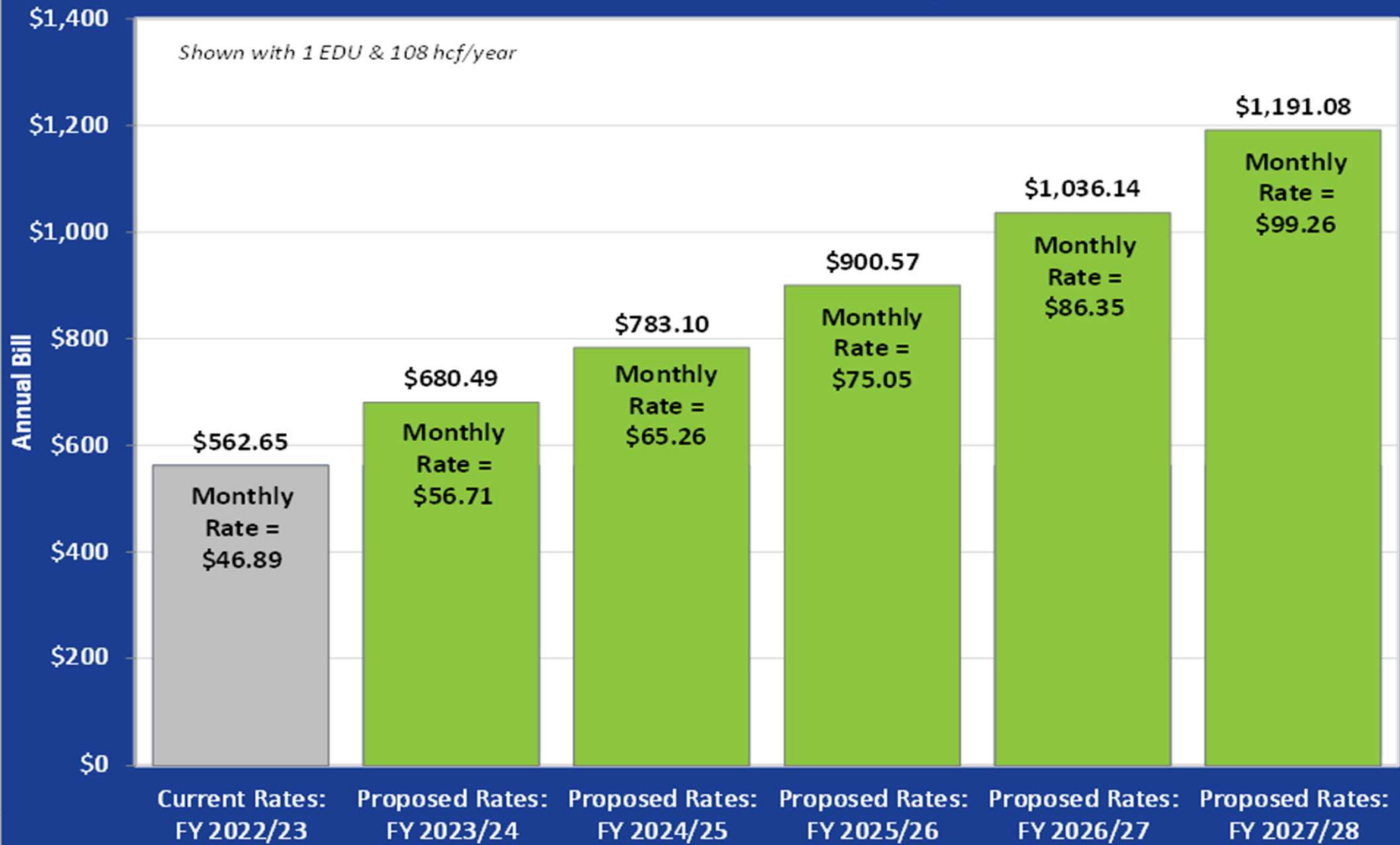
CURRENT AND PROPOSED RATES

Sewer Rate Schedule	Current Rates	Proposed Yearly Sewer Rates				
		Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Annual Fixed Service Charge per EDU	\$301.29	\$324.09	\$372.70	\$428.61	\$492.90	\$566.84
Volumetric Rate (\$/hcf) ^{1,2}	\$2.42	\$3.30	\$3.80	\$4.37	\$5.03	\$5.78

1. One Unit is equal to one HCF (Hundred Cubic Feet) or 748 gallons.
2. Rates are charged based on average winter water consumption (three lowest consecutive months from previous year).

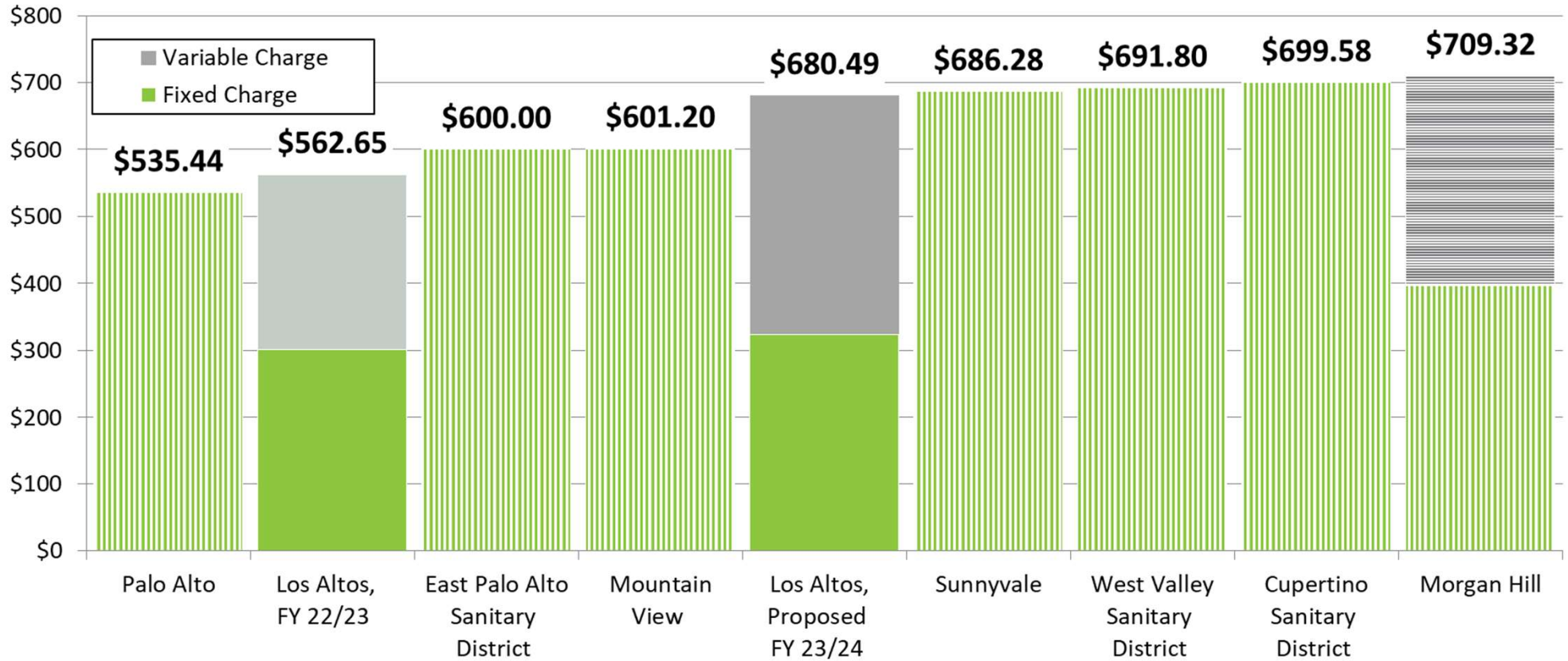
SEWER UTILITY BILL COMPARISON

**5 Year Annual Single Family Residential Sewer Bill Comparison
Current vs. Proposed Rates**



REGIONAL SEWER UTILITY BILL COMPARISON

Regional Annual Bill Comparison for Single Family Residential



Sewer rate calculation assumes a winter-based average consumption of 108 HCF Annually

NEXT STEPS

OVERVIEW OF PROPOSITION 218 PROCESS

Procedural Requirements for the Prop. 218 Protest Ballot Procedure:

1. Send Notice of Public Hearing to all customers/property owners
2. Hold Public Hearing no sooner than 45-days after mailing notices
3. If no majority protest (50% + 1), new rates can be adopted

REQUESTED COUNCIL ACTIONS AND NEXT STEPS

Next Steps (*After Tonight*)

1. Approve Rate Studies and Proposed Rates
2. Complete Proposition 218 Process
3. Rate Approval Will be Requested *at the completion of the Public Hearing, if No Majority Protest*

QUESTIONS AND ANSWERS





Draft

AGENDA REPORT SUMMARY

Meeting Date: November 29, 2022

Subject Quarterly Investment Portfolio Report – Quarter Ended September 30, 2022

Prepared by: June Du, Finance Director

Approved by: Gabriel Engeland, City Manager

Attachment(s):

1. Portfolio Mix Charts
2. Investment Policy Compliance Chart
3. LAIF Balance 9-30-22
4. LAIF Performance Over Time
5. PFM Investment Report Quarter Ended September 30, 2022

Initiated by:

Staff.

Fiscal Impact:

None

Environmental Review:

Not applicable

Policy Question(s) for Council Consideration:

- None

Summary:

- This report presents the status of the City’s investment portfolio through September 30, 2022. The reporting model has been developed in coordination with PFM Asset Management LLC (PFM), the City’s investment portfolio managers.

Staff Recommendation:

Receive the Investment Portfolio Report through September 30, 2022.

Reviewed By:

City Manager

GE

City Attorney

JH

Finance Director

JD



Subject: Quarterly Investment Portfolio Report – Quarter Ended September 30, 2022

Purpose

These quarterly reports are presented to both the City Council and the Financial Commission to keep both bodies apprised as to the status of the City’s investment holding and demonstrate compliance with the City’s Investment Policy.

Background

A review of the Investment Portfolio Report Quarter Ended September 30, 2022 was presented and discussed by the Financial Commission on November 21, 2022. The Financial Commission reviewed the Quarterly Investment Portfolio Report ending September 30, 2022, and had a brief discussion.

Discussion/Analysis

The summary provided below presents the sum of all City investment holdings. The City’s portfolio par value and market value, including LAIF but excluding operating cash, as of September 30, 2022, was \$59,124,975 and \$56,748,653 respectively. The City’s operating cash, as of September 30, 2022, was \$4,916,880.

As of September 30, 2022, 8.2% of the City’s portfolio was placed in Federal Agency Securities (Fannie Mae, Federal Home Loan Bank, Federal Home Loan Mortgage, and Federal Farm Credit), 11.9% in Asset-Backed Securities, 1.6% in Supra-National Agency Bond, 39.4% in US Treasuries, 21.2% in medium-term Corporate Notes and Commercial Paper, and 2.3% in Certificate of Deposits, with the balance of 15.4% in LAIF. This portfolio mix is illustrated as part of Attachment 1 with LAIF balance and performance as Attachments 3 and 4.

Full compliance with the City’s Investment Policy is monitored closely and on a per-trade basis as illustrated in Attachment 2. In accordance with California Government Code 53646(b)(3), the City of Los Altos has the ability to meet its pool expenditure requirements for the next six months.

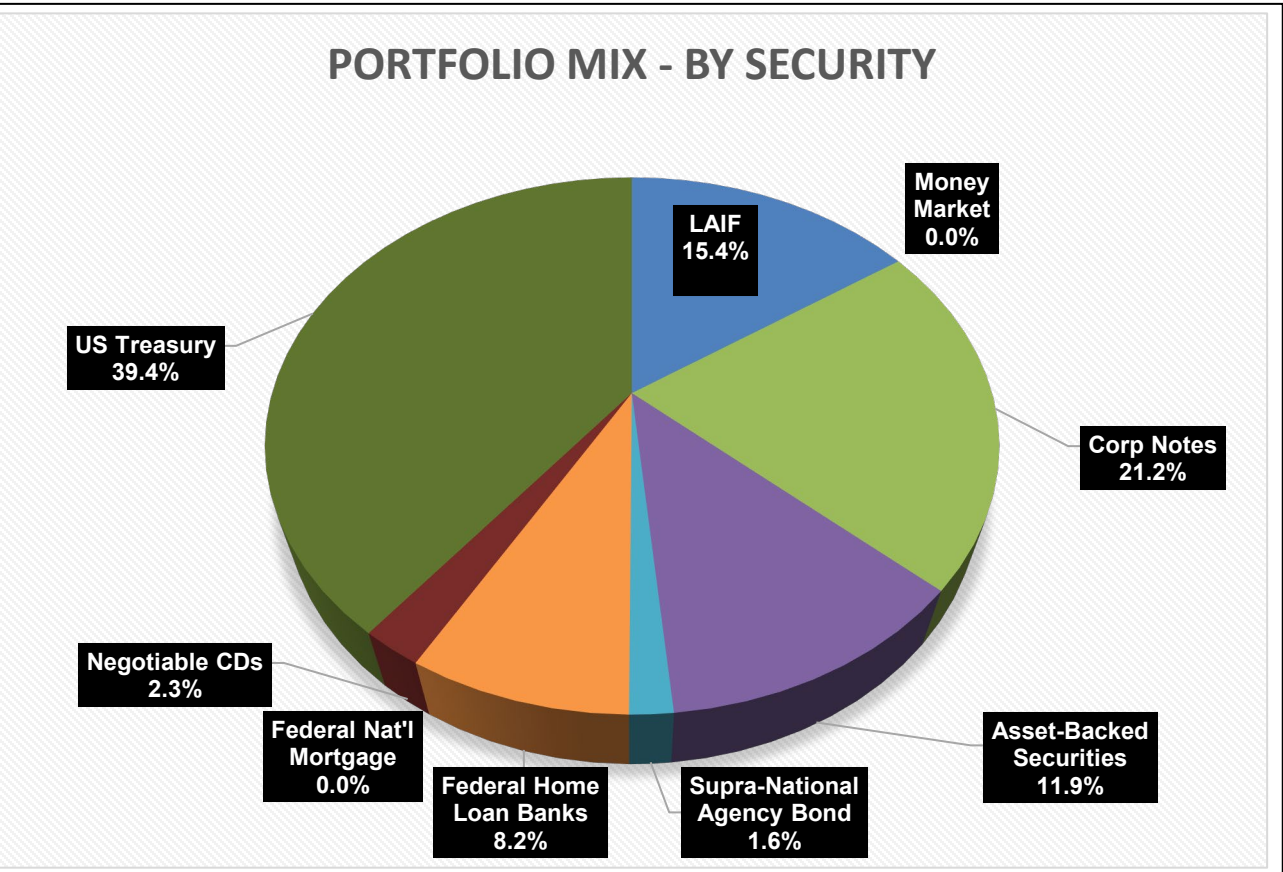
As part of these quarterly updates, a status report is prepared by PFM which is included as Attachment 5: Investment Performance Review for the Quarter Ended September 30, 2022. It is important to note that this report highlights the performance of City investments that fall outside its liquid holdings with LAIF. This has been intentionally crafted to isolate the performance of the City’s independently managed investments. The return of the portfolio over ten years is 0.81%, which is highlighted on page 24 of the PFM Investment Performance Review Report (Attachment 5).

Recommendation

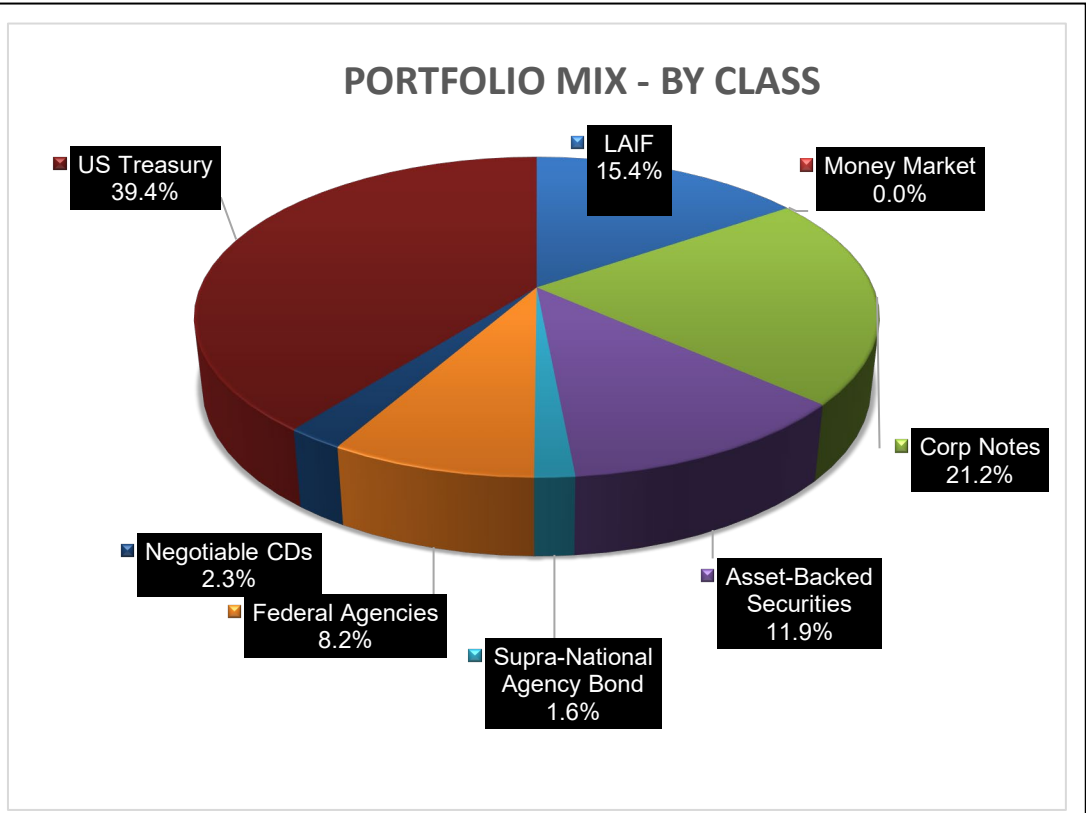
Receive the Investment Portfolio Report Quarter Ended September 30, 2022

**Attachment 1
Portfolio Mix Charts
September 2022**

Security Type	% of Total	Portfolio Mix By Security
LAIF	15.4%	9,112,388
Money Market	0.0%	-
Corp Notes	21.2%	12,509,000
Asset-Backed Securities	11.9%	7,018,083
Supra-National Agency Bond	1.6%	960,000
Federal Home Loan Banks	8.2%	4,858,503
Federal Nat'l Mortgage	0.0%	-
Negotiable CDs	2.3%	1,375,000
US Treasury	39.4%	23,292,000
Commercial Paper	0.0%	-
* Totals	100%	59,124,974.54



Security Type	% of Total	Portfolio Mix Par Value	Market Value
LAIF	15.4%	9,112,388	9,112,388
Money Market	0.0%	-	-
Corp Notes	21.2%	12,509,000	11,907,878
Asset-Backed Securities	11.9%	7,018,083	6,798,964
Supra-National Agency Bond	1.6%	960,000	902,527
Federal Agencies	8.2%	4,858,503	4,662,339
Negotiable CDs	2.3%	1,375,000	1,366,202
US Treasury	39.4%	23,292,000	21,998,354
	100%	59,124,975	56,748,653
Corp Notes		12,509,000	11,907,878
Asset-Backed Securities		7,018,083	6,798,964
Supra-National Agency Bond		960,000	902,527
US Treasury/Agencies		28,150,503	26,660,694
Negotiable CDs		1,375,000	1,366,202
Accrued Interest		-	137,777
		50,012,586.24	47,774,041
Margin Over (Under) Par			(2,238,545)



**Attachment 1
Portfolio Mix Charts
September 2022**



Attachment 2
Investment Policy Compliance Chart
September 2022

Agenda Item 4.

City Investment	% Mix	Par Value	Earliest Term	City Policy Term Limitation	City Policy \$ Limitation	City Policy % Limitation	CAPACITY	% Compliance Yes/No	Term Compliance Yes/No
LAIF	15.4%	9,112,388	07/01/22	No Term	75,000,000	100%	65,887,612	Yes	N/A
Money Market	0.0%	-		Overnight		20%	11,824,995	Yes	N/A
Corp Notes	21.2%	12,509,000	06/08/23	5 Years		30%	5,228,492	Yes	Yes
Asset-Backed Securities	11.9%	7,018,083	08/21/23	5 Years		20%	4,806,912	Yes	Yes
Supra-National Agency Bond	1.6%	960,000	05/24/23	5 Years		20%	10,864,995	Yes	Yes
Federal Agencies	8.2%	4,858,503	07/01/22	5 Years		100%	54,266,471	Yes	Yes
Commercial Paper	0.0%	-	-	270 Days		25%	14,781,244	Yes	-
Negotiable CDs	2.3%	1,375,000	12/02/22	5 Years		30%	16,362,492	Yes	Yes
US Treasury	39.4%	23,292,000	09/30/23	5 Years		100%	35,832,975	Yes	Yes
	100%	59,124,975							

California State Treasurer *Fiona Ma, CPA*



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

November 03, 2022

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

CITY OF LOS ALTOS

CITY TREASURER
ONE NORTH SAN ANTONIO ROAD
LOS ALTOS, CA 94022

[Tran Type Definitions](#)

//

Account Number: 98-43-481

September 2022 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	9,112,388.30
Total Withdrawal:	0.00	Ending Balance:	9,112,388.30

Attachment 4 - LAIF Performance Over Time



POOLED MONEY INVESTMENT ACCOUNT

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1977	5.770	5.660	5.660	5.650	5.760	5.850	5.930	6.050	6.090	6.090	6.610	6.730
1978	6.920	7.050	7.140	7.270	7.386	7.569	7.652	7.821	7.871	8.110	8.286	8.769
1979	8.777	8.904	8.820	9.082	9.046	9.224	9.202	9.528	9.259	9.814	10.223	10.218
1980	10.980	11.251	11.490	11.480	12.017	11.798	10.206	9.870	9.945	10.056	10.426	10.961
1981	10.987	11.686	11.130	11.475	12.179	11.442	12.346	12.844	12.059	12.397	11.887	11.484
1982	11.683	12.044	11.835	11.773	12.270	11.994	12.235	11.909	11.151	11.111	10.704	10.401
1983	10.251	9.887	9.688	9.868	9.527	9.600	9.879	10.076	10.202	10.182	10.164	10.227
1984	10.312	10.280	10.382	10.594	10.843	11.119	11.355	11.557	11.597	11.681	11.474	11.024
1985	10.579	10.289	10.118	10.025	10.180	9.743	9.656	9.417	9.572	9.482	9.488	9.371
1986	9.252	9.090	8.958	8.621	8.369	8.225	8.141	7.844	7.512	7.586	7.432	7.439
1987	7.365	7.157	7.205	7.044	7.294	7.289	7.464	7.562	7.712	7.825	8.121	8.071
1988	8.078	8.050	7.945	7.940	7.815	7.929	8.089	8.245	8.341	8.397	8.467	8.563
1989	8.698	8.770	8.870	8.992	9.227	9.204	9.056	8.833	8.801	8.771	8.685	8.645
1990	8.571	8.538	8.506	8.497	8.531	8.538	8.517	8.382	8.333	8.321	8.269	8.279
1991	8.164	8.002	7.775	7.666	7.374	7.169	7.098	7.072	6.859	6.719	6.591	6.318
1992	6.122	5.863	5.680	5.692	5.379	5.323	5.235	4.958	4.760	4.730	4.659	4.647
1993	4.678	4.649	4.624	4.605	4.427	4.554	4.438	4.472	4.430	4.380	4.365	4.384
1994	4.359	4.176	4.248	4.333	4.434	4.623	4.823	4.989	5.106	5.243	5.380	5.528
1995	5.612	5.779	5.934	5.960	6.008	5.997	5.972	5.910	5.832	5.784	5.805	5.748
1996	5.698	5.643	5.557	5.538	5.502	5.548	5.587	5.566	5.601	5.601	5.599	5.574
1997	5.583	5.575	5.580	5.612	5.634	5.667	5.679	5.690	5.707	5.705	5.715	5.744
1998	5.742	5.720	5.680	5.672	5.673	5.671	5.652	5.652	5.639	5.557	5.492	5.374
1999	5.265	5.210	5.136	5.119	5.086	5.095	5.178	5.225	5.274	5.391	5.484	5.639
2000	5.760	5.824	5.851	6.014	6.190	6.349	6.443	6.505	6.502	6.517	6.538	6.535
2001	6.372	6.169	5.976	5.760	5.328	4.958	4.635	4.502	4.288	3.785	3.526	3.261
2002	3.068	2.967	2.861	2.845	2.740	2.687	2.714	2.594	2.604	2.487	2.301	2.201
2003	2.103	1.945	1.904	1.858	1.769	1.697	1.653	1.632	1.635	1.596	1.572	1.545
2004	1.528	1.440	1.474	1.445	1.426	1.469	1.604	1.672	1.771	1.890	2.003	2.134
2005	2.264	2.368	2.542	2.724	2.856	2.967	3.083	3.179	3.324	3.458	3.636	3.808
2006	3.955	4.043	4.142	4.305	4.563	4.700	4.849	4.946	5.023	5.098	5.125	5.129
2007	5.156	5.181	5.214	5.222	5.248	5.250	5.255	5.253	5.231	5.137	4.962	4.801
2008	4.620	4.161	3.777	3.400	3.072	2.894	2.787	2.779	2.774	2.709	2.568	2.353
2009	2.046	1.869	1.822	1.607	1.530	1.377	1.035	0.925	0.750	0.646	0.611	0.569
2010	0.558	0.577	0.547	0.588	0.560	0.528	0.531	0.513	0.500	0.480	0.454	0.462
2011	0.538	0.512	0.500	0.588	0.413	0.448	0.381	0.408	0.378	0.385	0.401	0.382
2012	0.385	0.389	0.383	0.367	0.363	0.358	0.363	0.377	0.348	0.340	0.324	0.326
2013	0.300	0.286	0.285	0.264	0.245	0.244	0.267	0.271	0.257	0.266	0.263	0.264
2014	0.244	0.236	0.236	0.233	0.228	0.228	0.244	0.260	0.246	0.261	0.261	0.267
2015	0.262	0.266	0.278	0.283	0.290	0.299	0.320	0.330	0.337	0.357	0.374	0.400
2016	0.446	0.467	0.506	0.525	0.552	0.576	0.588	0.614	0.634	0.654	0.678	0.719
2017	0.751	0.777	0.821	0.884	0.925	0.978	1.051	1.084	1.111	1.143	1.172	1.239
2018	1.350	1.412	1.524	1.661	1.755	1.854	1.944	1.998	2.063	2.144	2.208	2.291
2019	2.355	2.392	2.436	2.445	2.449	2.428	2.379	2.341	2.280	2.190	2.103	2.043
2020	1.967	1.912	1.787	1.648	1.363	1.217	0.920	0.784	0.685	0.620	0.576	0.540
2021	0.458	0.407	0.357	0.339	0.315	0.262	0.221	0.221	0.206	0.203	0.203	0.212
2022	0.234	0.278	0.365	0.523	0.684	0.861	1.090	1.276	1.513			



CITY OF LOS ALTOS

Investment Performance Review For the Quarter Ended September 30, 2022

Client Management Team

Monique Spyke, Managing Director
Wale Kajopaiye, Senior Managing Consultant

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

For Institutional Investor or Investment Professional Use Only - This material is not for inspection by, distribution to, or quotation to the general public

Agenda

- Market Update
- Portfolio Review

Market Update

Current Market Themes



- ▶ The U.S. economy is characterized by:
 - ▶ Persistent high inflation
 - ▶ A deteriorating housing market
 - ▶ Continued personal consumption that is impacting household savings and balance sheets
 - ▶ Worsening economic outlook that is propped up by a strong labor market



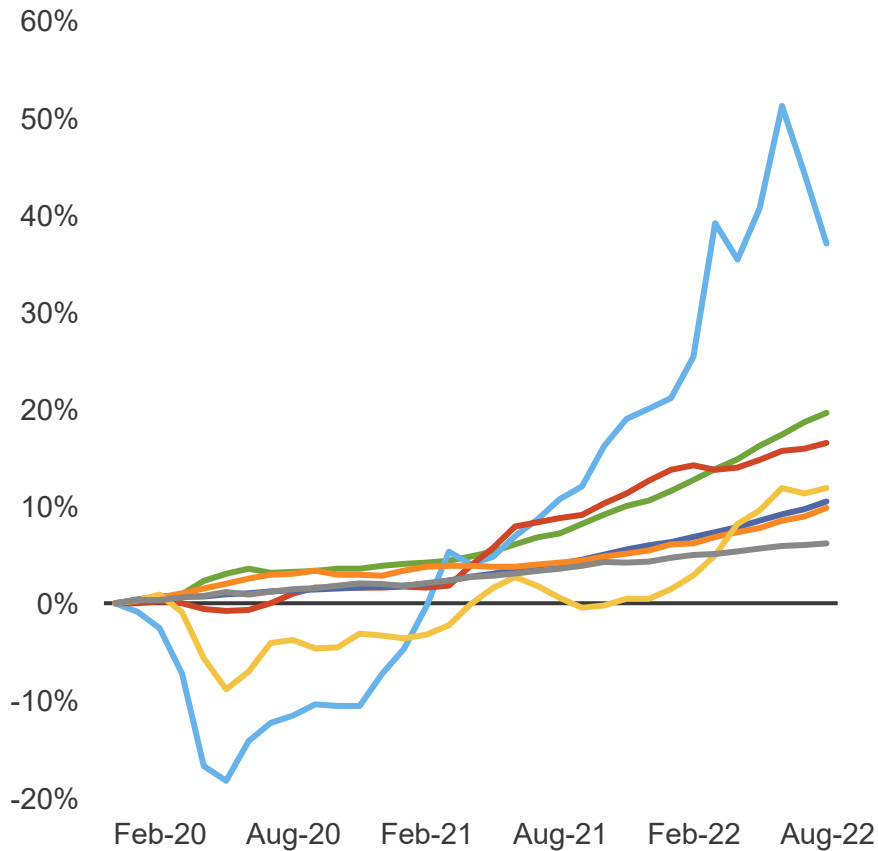
- ▶ The Federal Reserve has committed to a heavy-handed policy
 - ▶ Expectations have shifted from a soft landing to a moderate/hard landing, with increased recession risks
 - ▶ Short-term fed funds rate projected to reach 4.25% to 4.50% by year end
 - ▶ Increased pace of quantitative tightening



- ▶ Rapidly rising rates negatively impacting valuations and inducing market volatility
 - ▶ Yields across curve reached their highest levels in 14 years
 - ▶ Treasury yield curve remains inverted
 - ▶ Elevated volatility across all major asset classes

Headline Inflation Remains Elevated Despite Recent Reduction in Energy Prices

Price Change of Major CPI Components
Since December 2019



CPI Component	12-mo. Change	Weight ¹	Contribution to YoY CPI
Energy	23.8%	8.8%	1.7%
Food	11.4%	13.5%	1.5%
Goods	7.1%	21.2%	1.5%
Transportation	11.3%	5.9%	0.6%
Shelter	6.2%	32.2%	2.1%
Medical Services	5.6%	6.8%	0.4%
Other Services ²	3.4%	11.6%	0.4%

Detail may not add to total due to rounding.

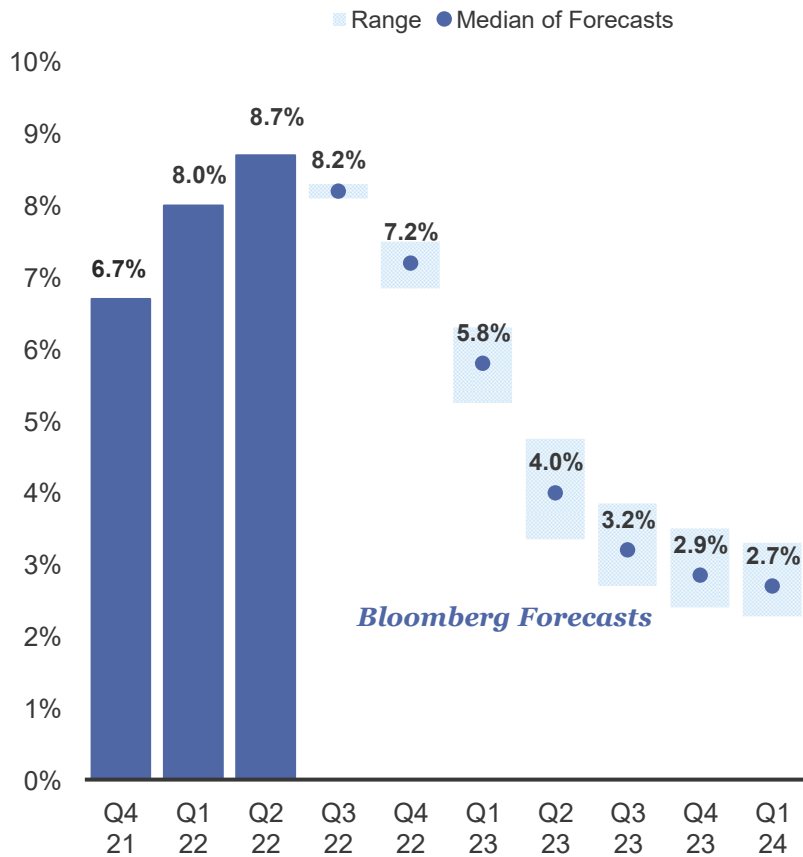
Source: Bloomberg, Bureau of Labor Statistics as of August 2022.

¹Index weights are as of July 2022 as they are published on a one-month lag.

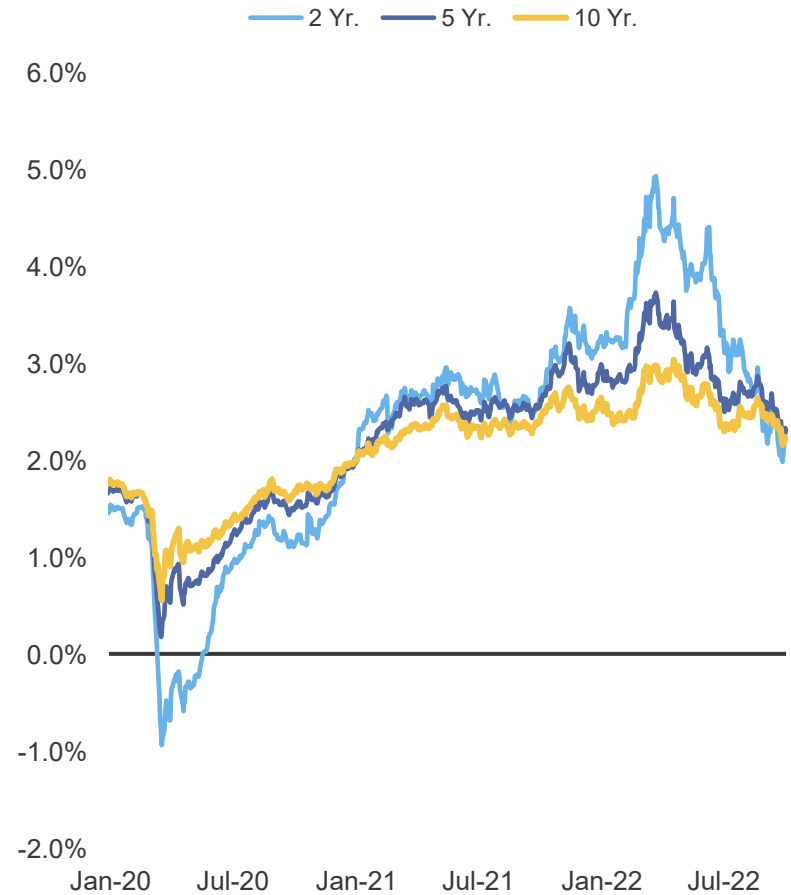
²Other services is a weighted blend of Water/Sewer/Trash, Household Operations, Recreation, Education, Communication Services, and Other Personal Services.

Economist and Market Expectations Point to Slowly Moderating Inflation

U.S. Inflation Forecasts Annualized Rate



Breakeven Inflation Rates



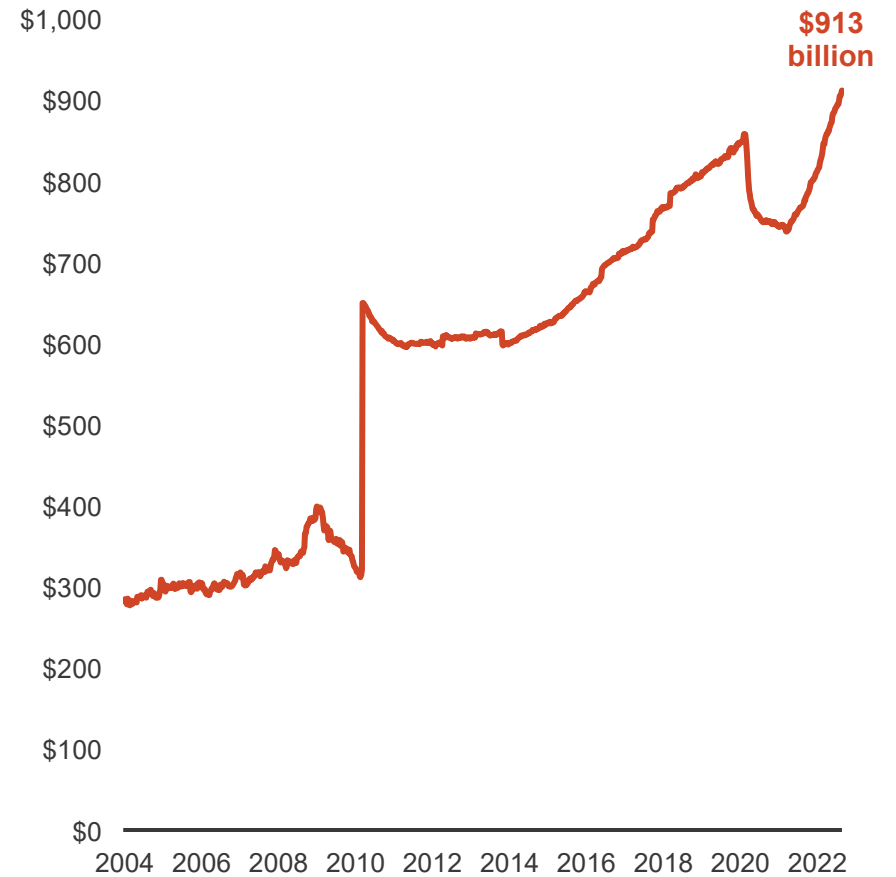
Source: Bloomberg, data as of September 30, 2022.

Consumption Comes at a Cost to Consumer

Personal Savings as % of Disposable Income



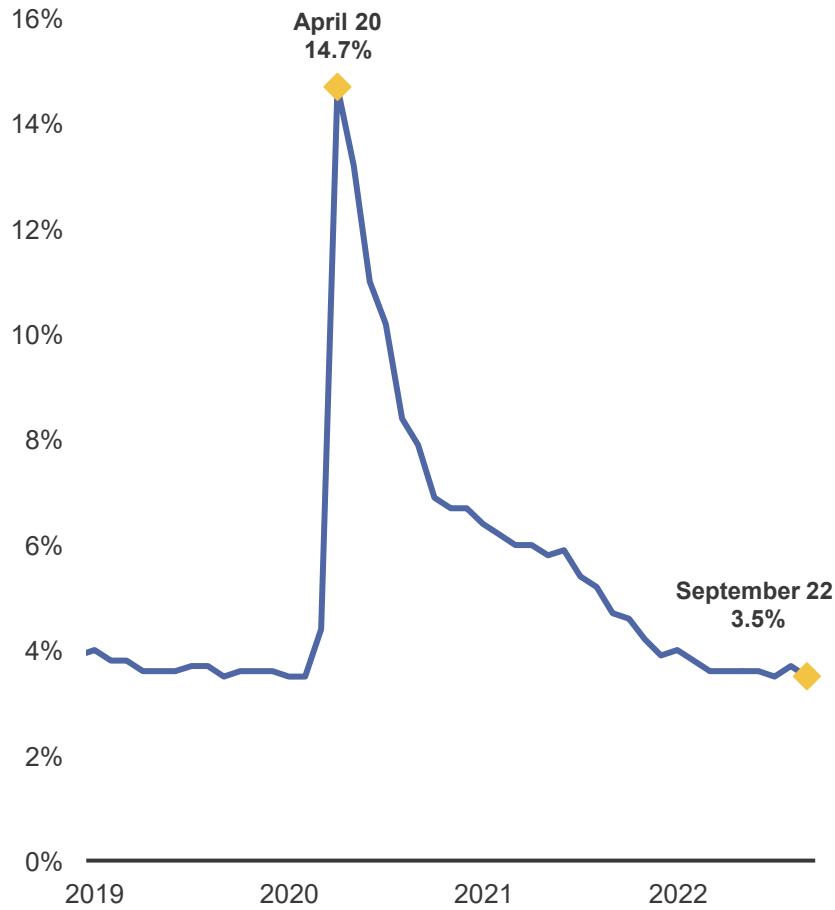
Consumer Loans: Credit Cards and Other Revolving Plans (Billions)



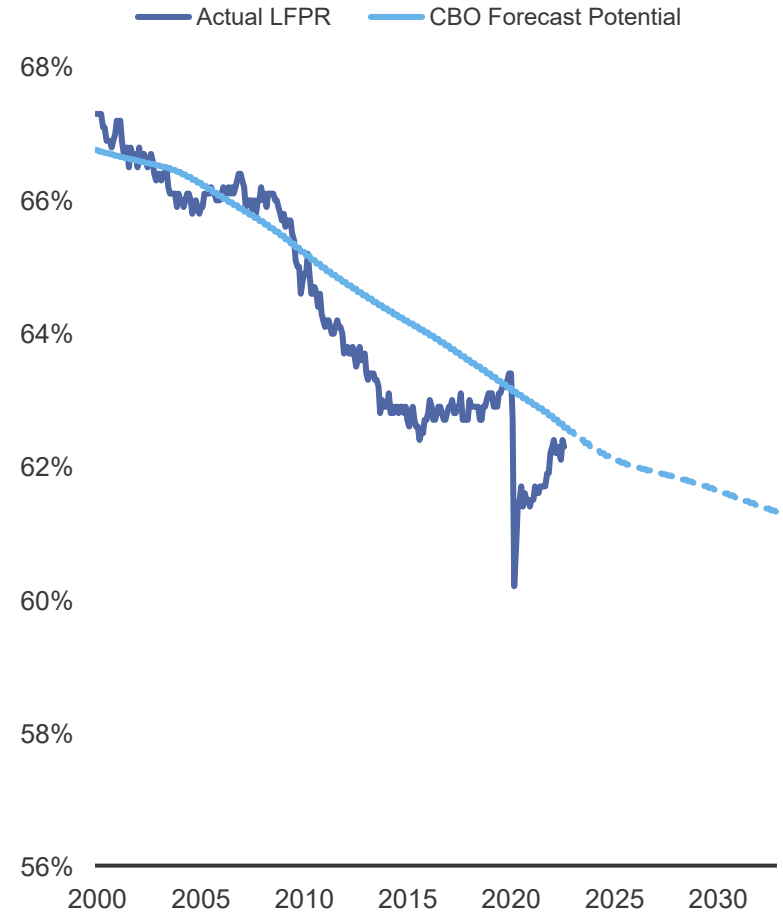
Source U.S. Bureau of Economic Analysis, Federal Reserve, FRED. Most recent data as of August 2022.

Labor Force Continues to Recover

Unemployment Rate



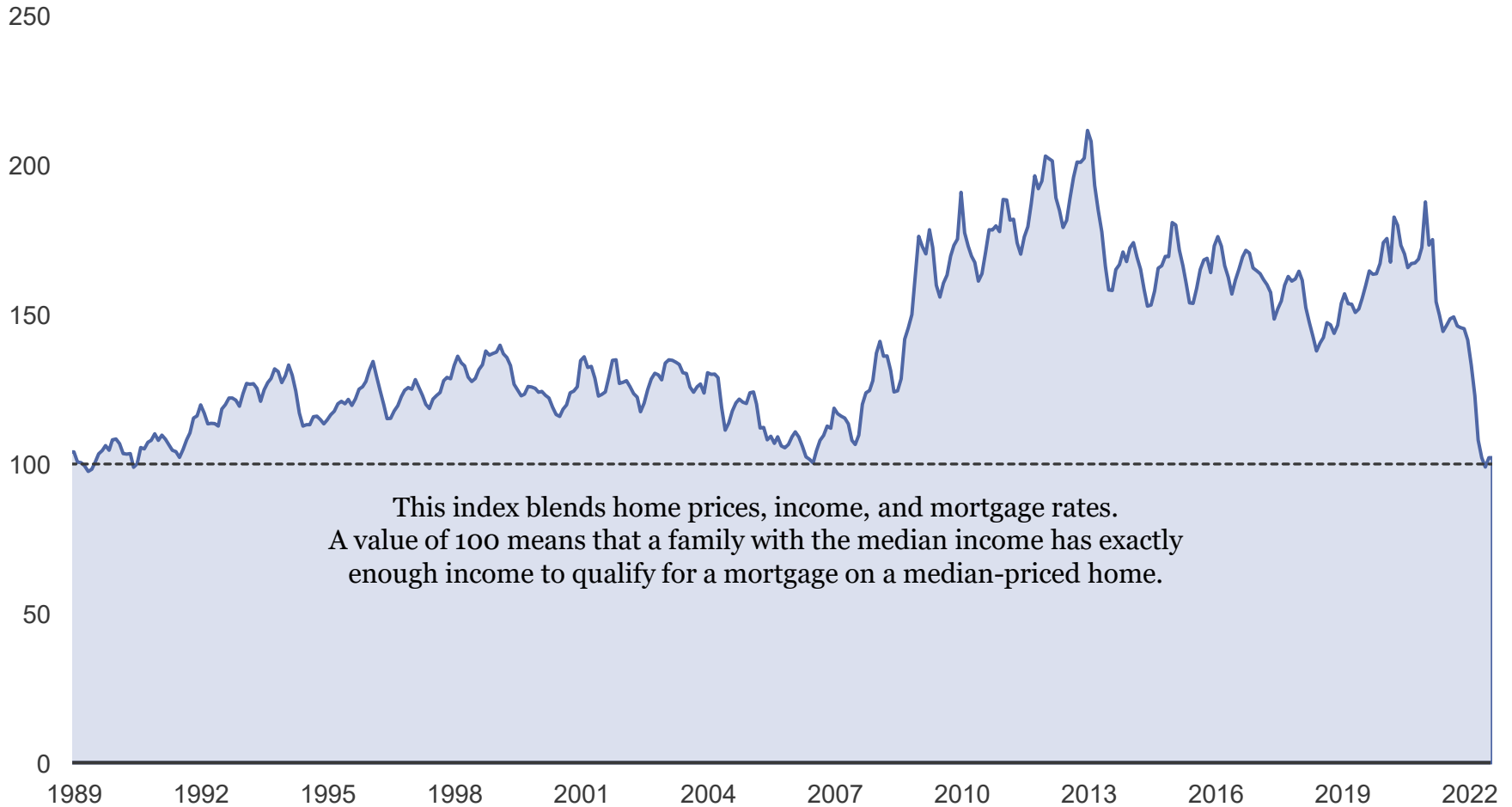
Labor Force Participation Rate



Source: Congressional Budget Office September 2022 economic projections, Bureau of Labor Statistics. Bloomberg, as of September 2022. Data is seasonally adjusted.

Housing Affordability Deteriorating Amid Soaring Rates and Home Prices

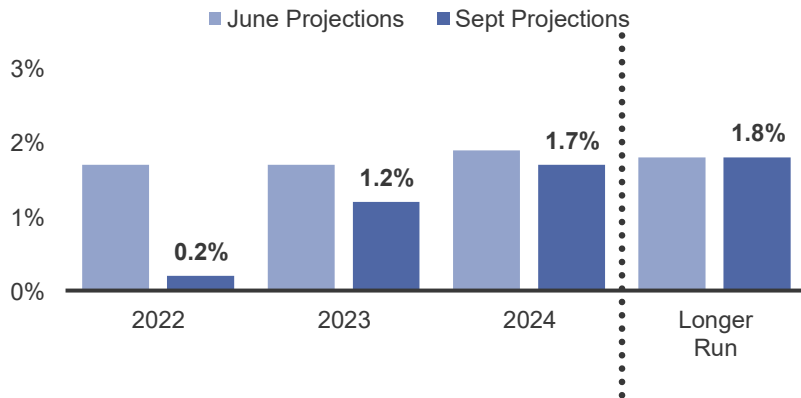
Homebuyer Affordability National Association of Realtors



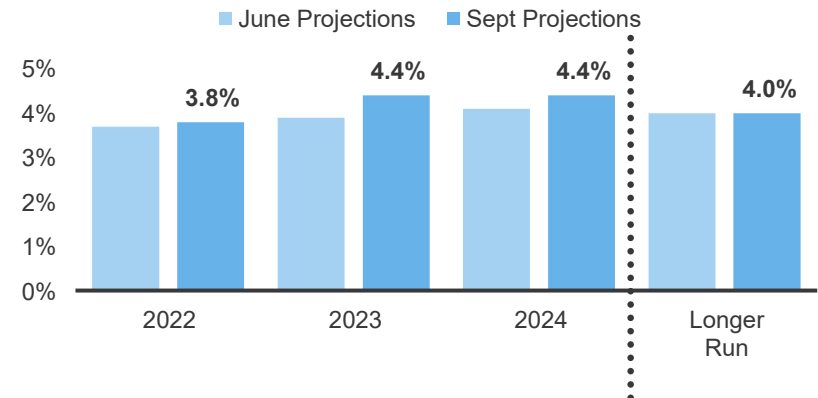
Source: Bloomberg, most recent data as of August 2022.

Fed's Projections Reflect Weaker Economic Growth and Extended Timeline for Tighter Policy

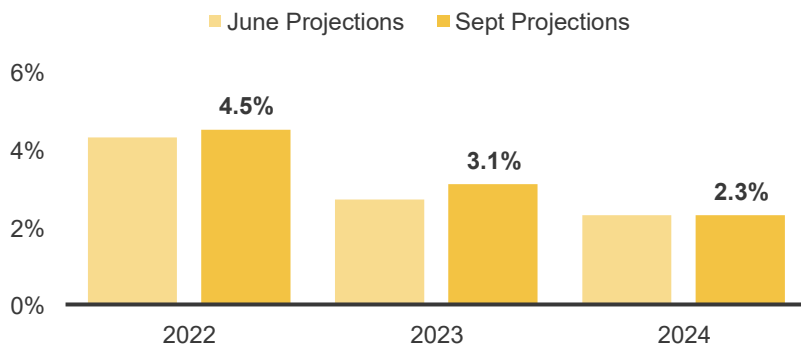
Change in Real GDP



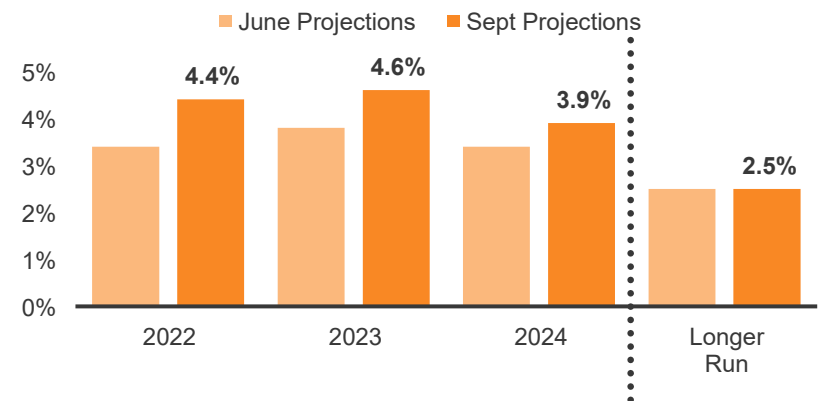
Unemployment Rate



Core PCE Inflation



Federal Funds Rate



Source: Federal Reserve, latest economic projections as of September 2022.

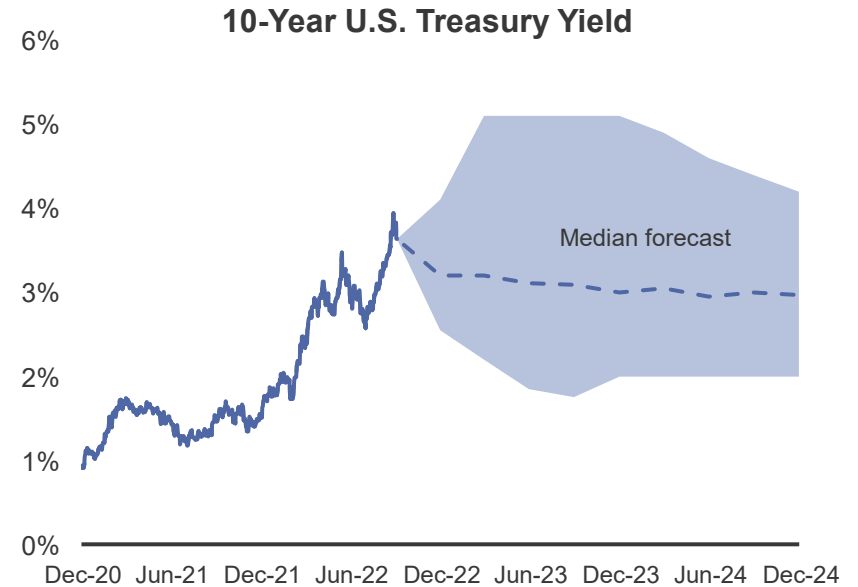
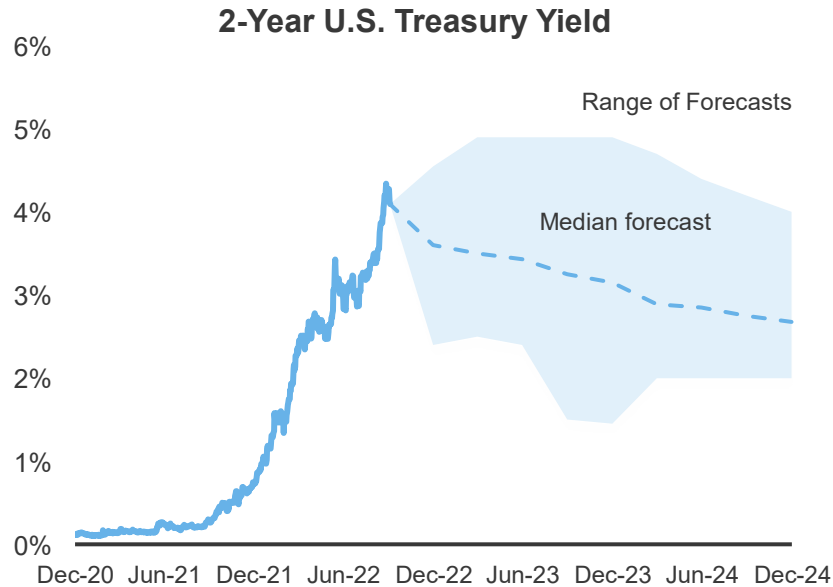
Fed Makes Aggressive Stance Clear but Market Uncertainty Persists

**From the
 September 2022
 FOMC Meeting
 Press Conference**

“Without price stability, the economy does not work for anyone.”

“We are moving our policy stance purposefully to a level that will be sufficiently restrictive to return inflation to 2%.”

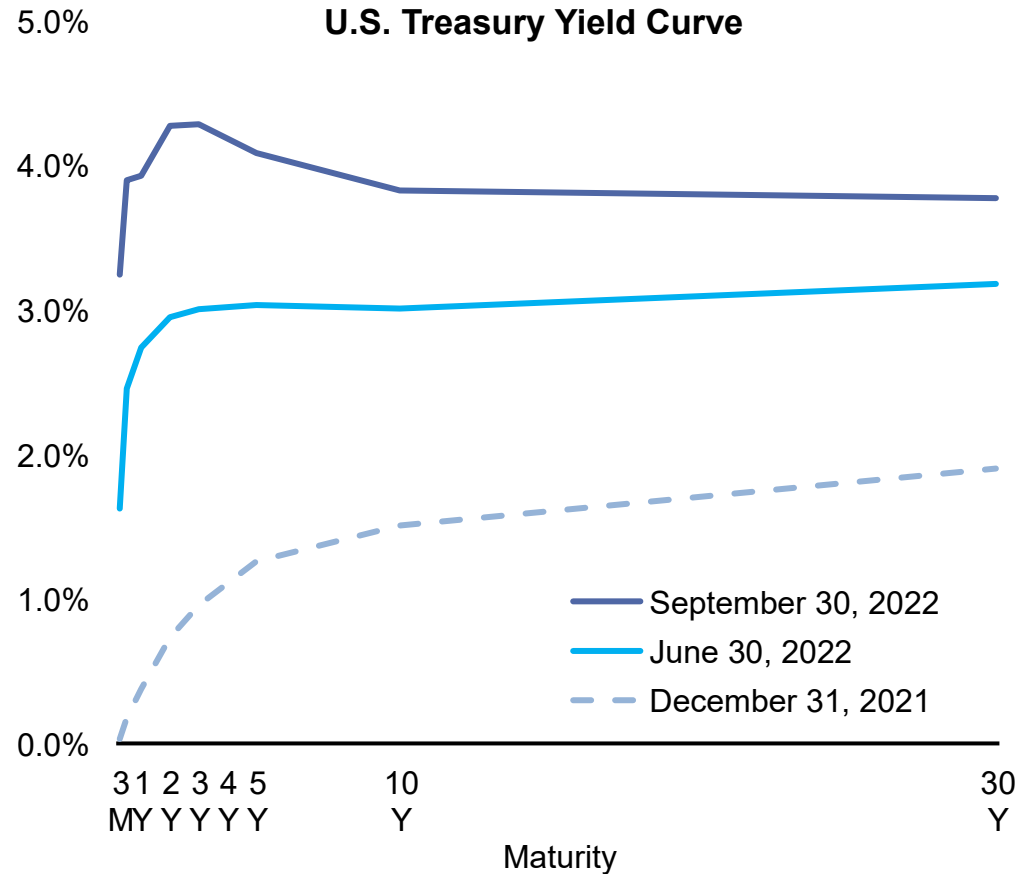
“No one knows whether this process will lead to a recession or if so, how significant that recession would be.”



Source: Federal Reserve, Bloomberg, Bloomberg Economist Forecasts as of September 30, 2022.

Treasury Yields Move Higher Across the Curve; Inversion Steepens Over the Quarter

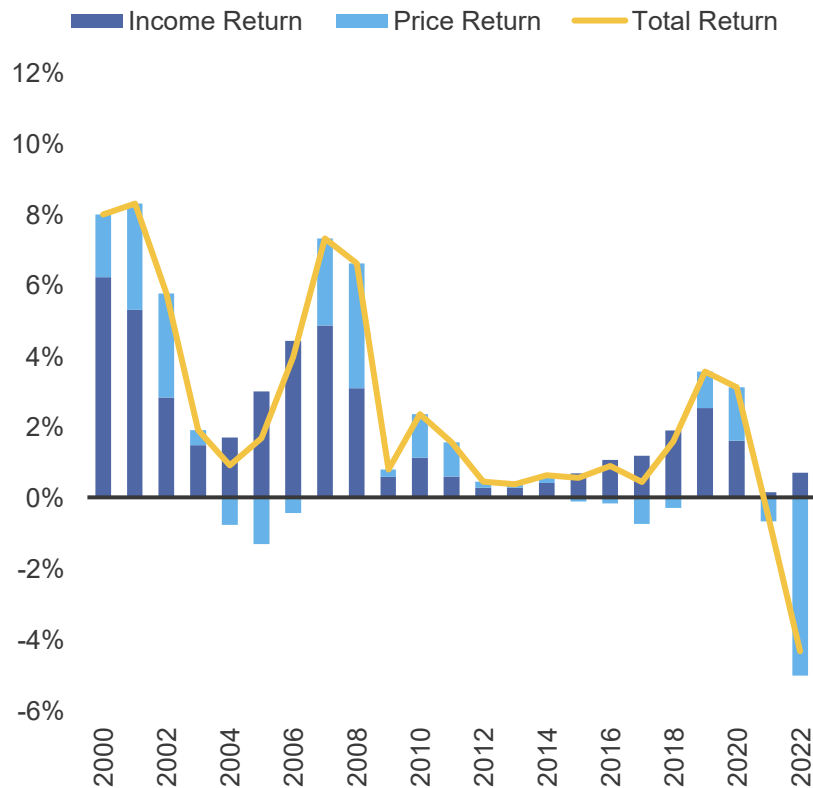
	3Q2022 09/30/22	2Q2022 06/30/22	QoQ Change
3-month	3.25%	1.63%	+1.62%
1-year	3.93%	2.74%	+1.19%
2-year	4.28%	2.95%	+1.33%
3-year	4.29%	3.01%	+1.28%
5-year	4.09%	3.04%	+1.05%
10-year	3.83%	3.01%	+0.82%
30-year	3.78%	3.18%	+0.60%



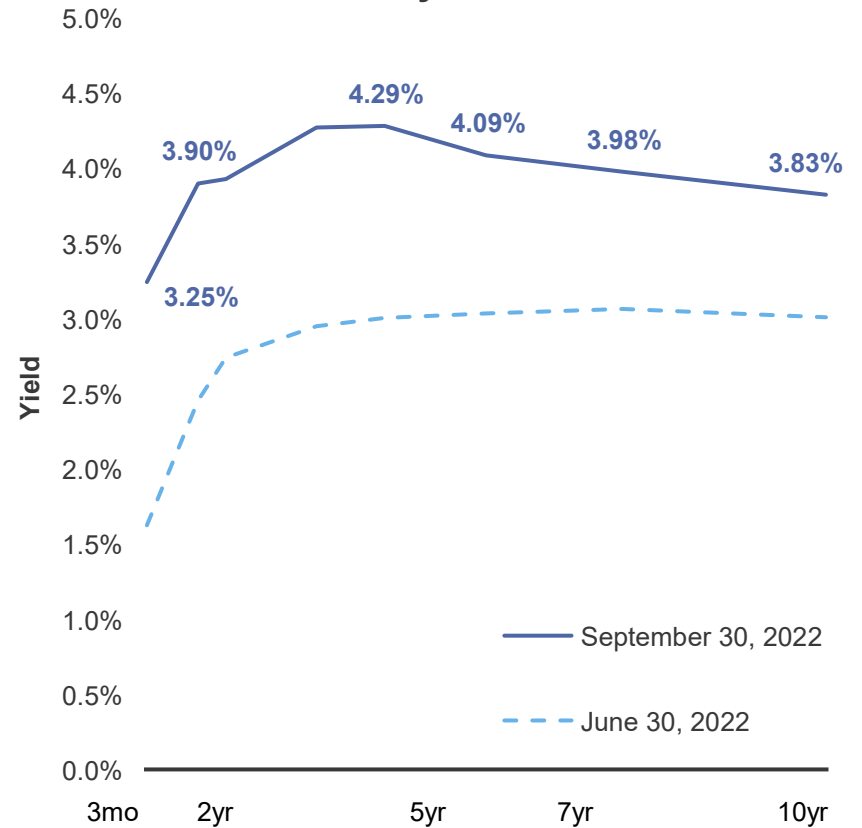
Source: Bloomberg, as of September 2022.

The Pros and Cons of Rising Rates: Lower Market Values and Stronger Income Potential

Annual Price & Income Returns (1-3 Year Treasury)



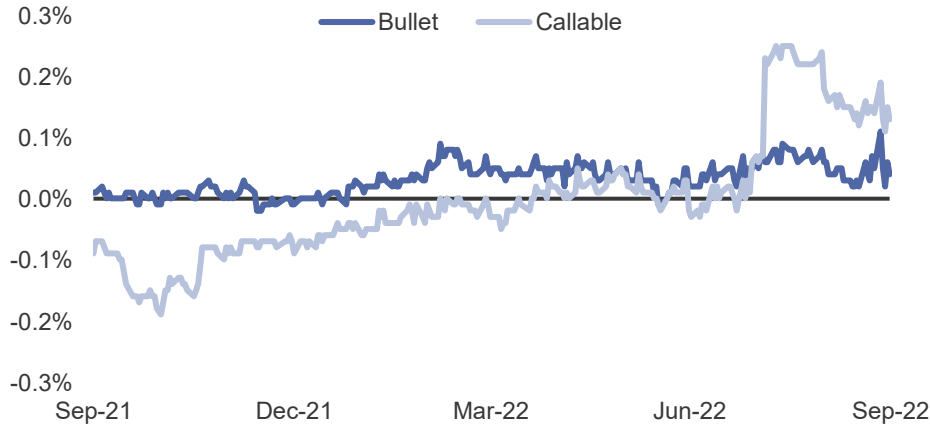
U.S. Treasury Yield Curve



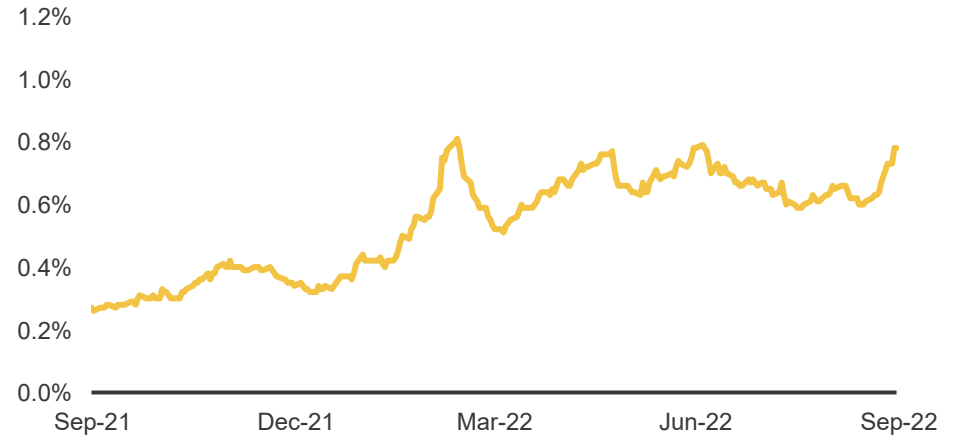
Source: ICE BofAML Indices via Bloomberg, as of September 30, 2022; PFAM calculations. 2022 Price, income, and total return is YTD as of September 30, 2022. Income return is based on the starting yield from the prior year ended December 31. Price return is calculated as the difference between the total return and calculated income return for each period.

Sector Yield Spreads Widened in Q3 2022

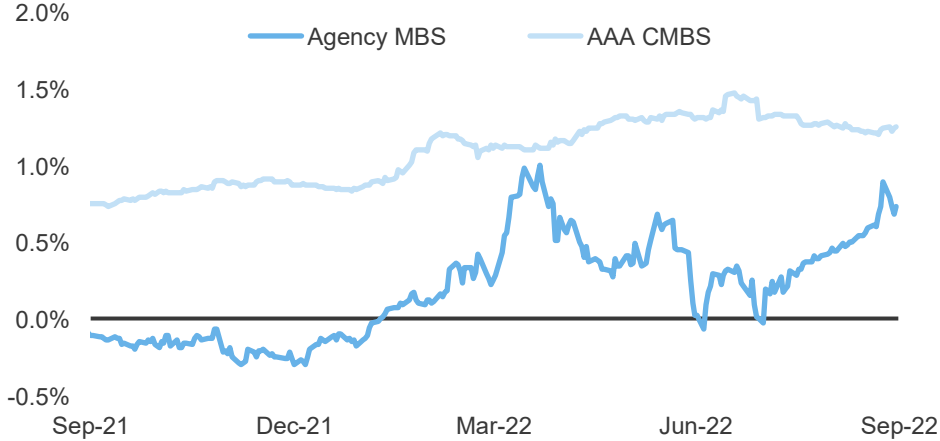
Federal Agency Yield Spreads



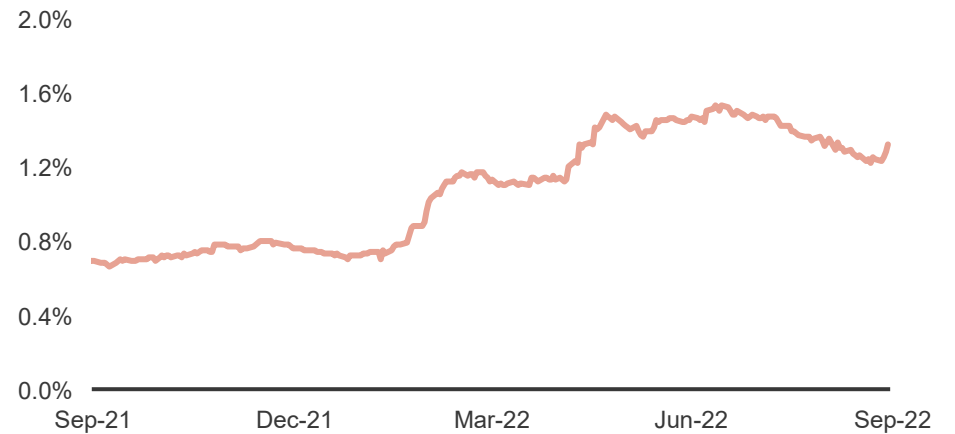
Corporate Notes A-AAA Yield Spreads



Mortgage-Backed Securities Yield Spreads



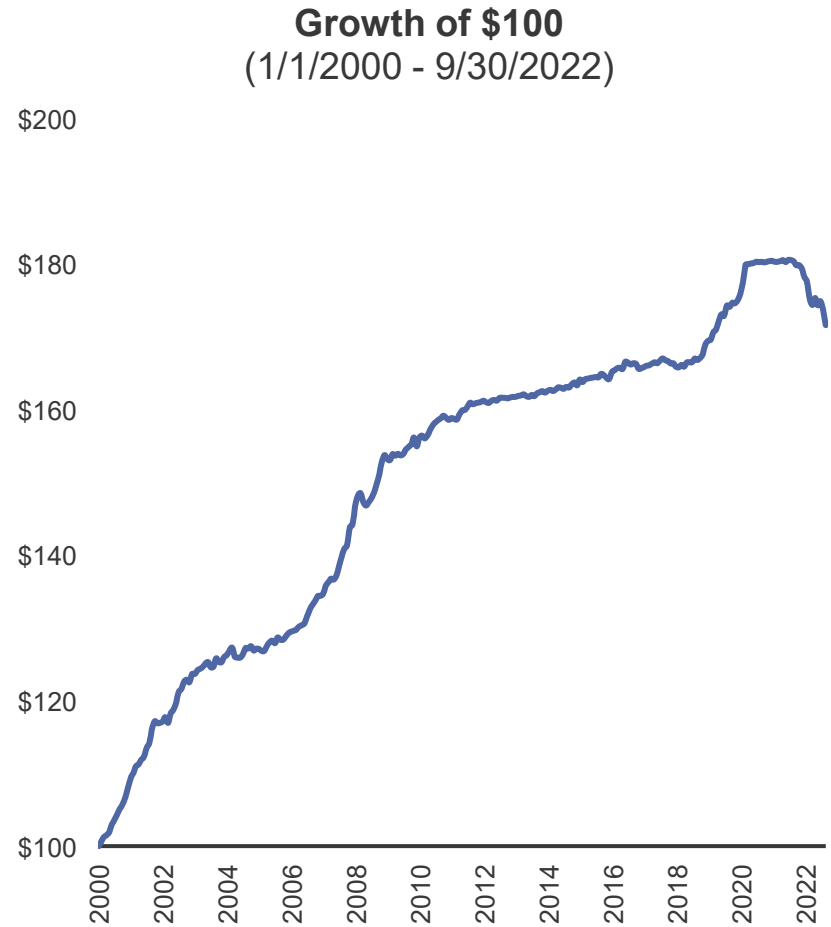
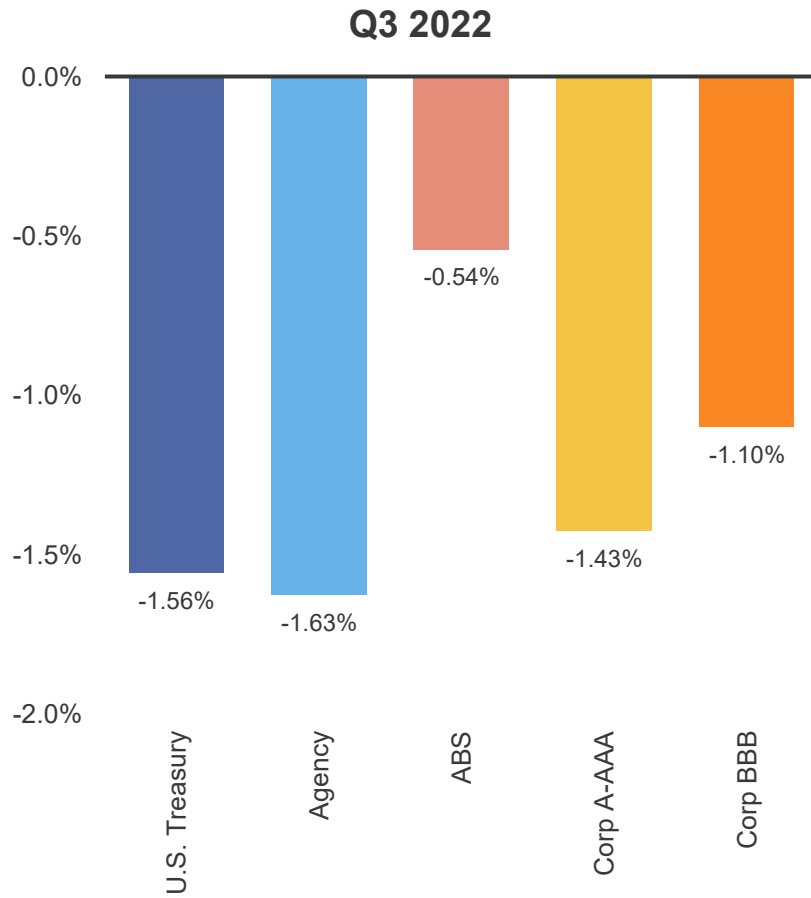
Asset-Backed Securities AAA Yield Spreads



Source: ICE BofAML 1-3 year Indices via Bloomberg, MarketAxess and PFMAM as of September 30, 2022. Spreads on ABS and MBS are option-adjusted spreads of 0-3 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities.

Fixed Income Returns in Q3 2022

1-3 Year Indices



Source: ICE BofAML Indices. ABS indices are 0-3 year, based on weighted average life. As of September 30, 2022.
Right Chart: 1-3 Year Treasury (G1O2 Index).

Fixed Income Sector Commentary – 3Q 2022

- ▶ **U.S. Treasury** securities posted negative absolute returns during Q3 as interest rates continue to ascend to levels not seen in over 14 years.
- ▶ **Federal agency** bullet spreads remained mostly unchanged in the low single-digits and the sector remained largely stagnant on light issuance. Conversely, the rapid rise in rates and volatility prompted a widening in spreads for callable federal agencies.
- ▶ **Supranational** yield spreads widened slightly in the longer-end of the curve while issuance has consistently lagged projections this year. Unattractive funding levels compounded by liquidity pressures resulted in minimal activity in the sector. New issues at attractive concessions to secondary inventory were the lone avenue to new exposure.
- ▶ **Investment-Grade Corporates** were a strong performer for much of the quarter as spreads tightened. Increases to allocations in the sector over recent months played a significant role in the strong performance relative to benchmarks.
- ▶ **Asset-Backed** yield spreads lagged the comparative narrowing in other sectors but remained relatively elevated in relation to high quality corporate notes. Although elevated relative to corporates, spreads tightened throughout the quarter and the sector generated attractive excess returns, with automobile collateral besting credit card structures.
- ▶ **Mortgage-Backed Securities** have been a staggering underperformer so far this year. Soaring mortgage rates combined with record high housing prices caused refinancing and new purchases to grind to a halt. Heightened volatility and concerns about an economic slowdown continued to weigh on the sector, while the looming Fed balance sheet reduction compounded the gloomy outlook.
- ▶ **Taxable Municipals** were another sector that generated positive excess returns in Q3. New issuance was generally lackluster with deals being heavily oversubscribed, pressuring spreads lower.
- ▶ **Commercial Paper and CDs** have been subject to a rapidly changing backdrop influenced by the Fed's aggressive series of rate hikes. Fixed-rate credit spreads widened during the quarter and the short-term credit curve remains steep.

Fixed Income Sector Outlook – 4Q 2022

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	



Portfolio Review: CITY OF LOS ALTOS INVESTMENT PORTFOLIO

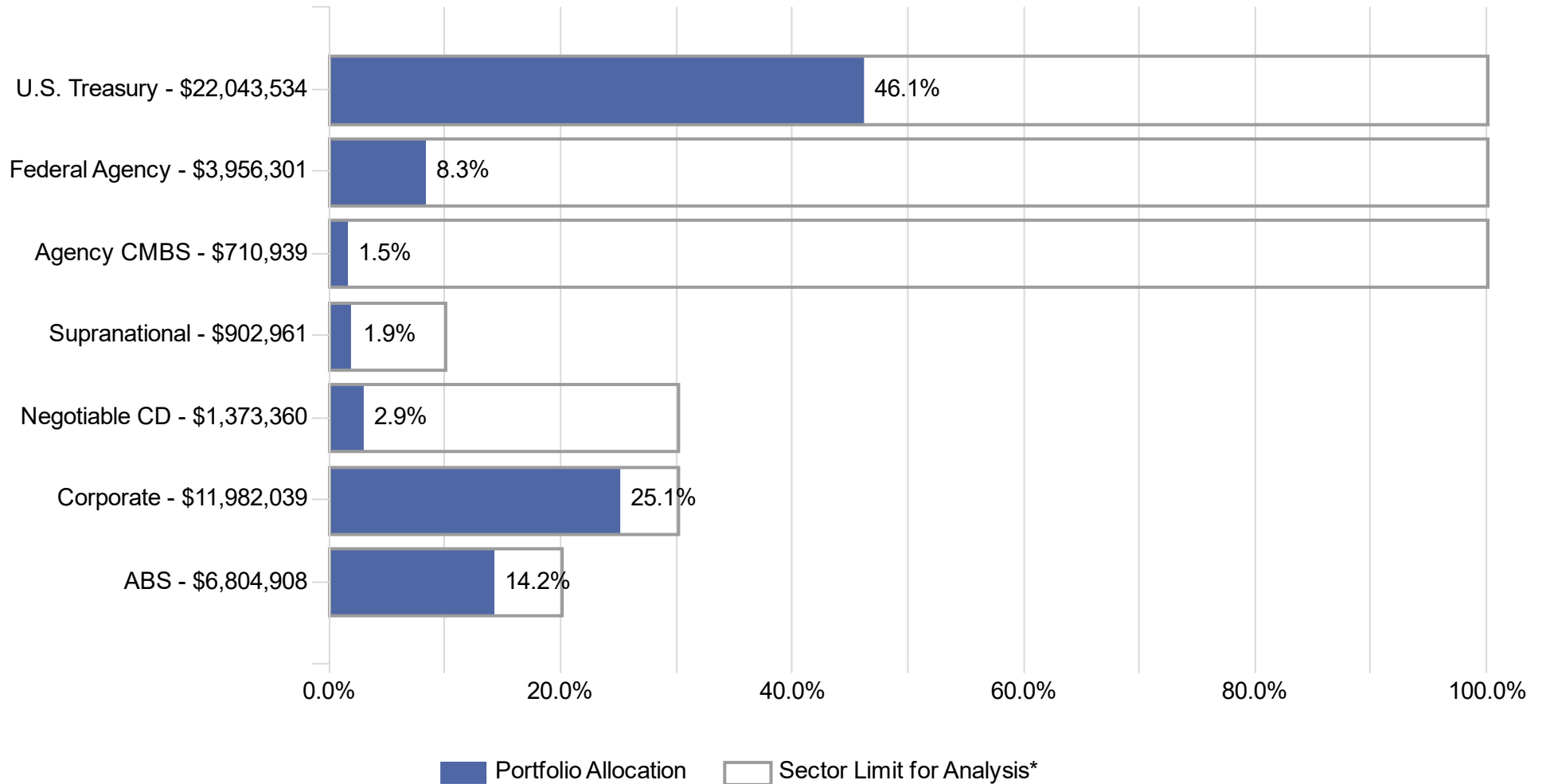
Certificate of Compliance

During the reporting period for the quarter ended September 30, 2022, 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").

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.

Account Summary

CITY OF LOS ALTOS INVESTMENT PORTFOLIO			
Portfolio Values	<u>September 30, 2022</u>	Analytics ¹	<u>September 30, 2022</u>
PFMAM Managed Account	\$47,636,264	Yield at Market	4.20%
Amortized Cost	\$50,034,949	Yield on Cost	1.30%
Market Value	\$47,636,264	Portfolio Duration	1.66
Accrued Interest	\$137,777		
Cash	\$30,711		

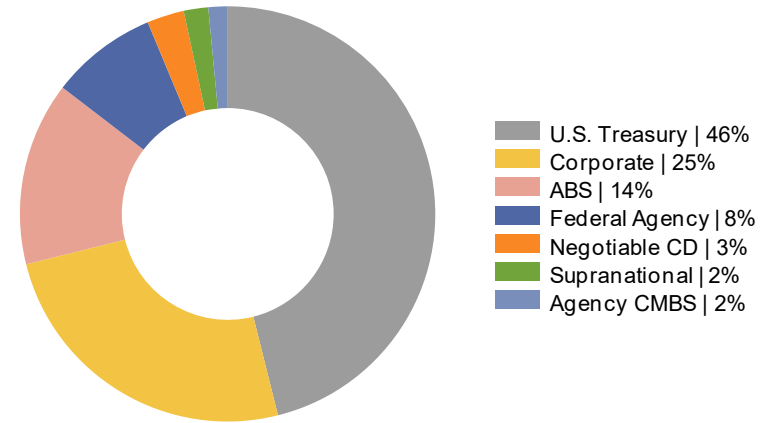
1. Yield at market, yield on cost, and portfolio duration only include investments held within the separately managed account(s), excludes balances invested in overnight funds.

Portfolio Snapshot - CITY OF LOS ALTOS INVESTMENT PORTFOLIO¹

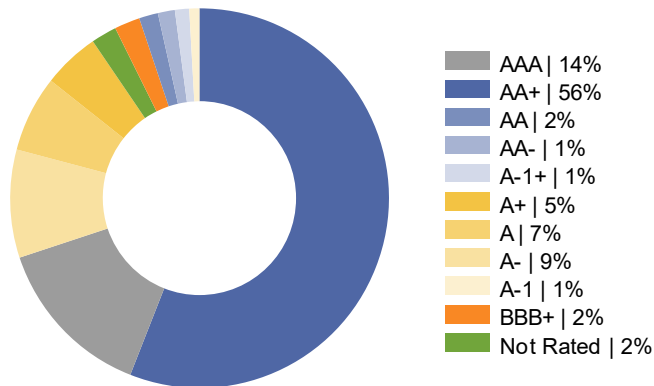
Portfolio Statistics

Total Market Value	\$47,804,752.01
<i>Securities Sub-Total</i>	\$47,636,264.35
<i>Accrued Interest</i>	\$137,777.06
<i>Cash</i>	\$30,710.60
Portfolio Effective Duration	1.66 years
Benchmark Effective Duration	1.76 years
Yield At Cost	1.30%
Yield At Market	4.20%
Portfolio Credit Quality	AA

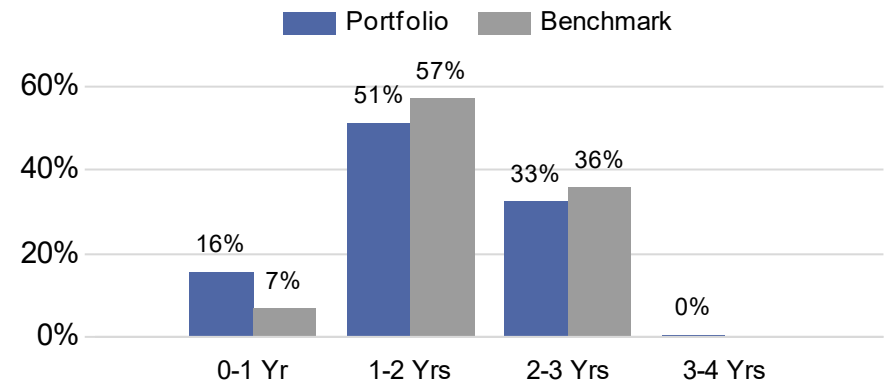
Sector Allocation



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 BofAML 1-3 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.

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	46.1%	
UNITED STATES TREASURY	46.1%	AA / Aaa / AAA
Federal Agency	8.3%	
FEDERAL HOME LOAN BANKS	1.0%	AA / Aaa / NR
FREDDIE MAC	7.3%	AA / Aaa / AAA
Agency CMBS	1.5%	
FANNIE MAE	0.6%	AA / Aaa / AAA
FREDDIE MAC	0.9%	AA / Aaa / AAA
Supranational	1.9%	
INTER-AMERICAN DEVELOPMENT BANK	1.0%	AAA / Aaa / AAA
INTL BANK OF RECONSTRUCTION AND DEV	0.9%	AAA / Aaa / AAA
Negotiable CD	2.9%	
CREDIT AGRICOLE SA	0.8%	A / Aa / AA
CREDIT SUISSE GROUP RK	0.9%	A / Aa / BBB
DNB ASA	1.2%	AA / Aa / NR
Corporate	25.1%	
ABBOTT LABORATORIES	0.3%	AA / A / NR
AMAZON.COM INC	1.2%	AA / A / AA
AMERICAN EXPRESS CO	0.7%	BBB / A / A
AMERICAN HONDA FINANCE	0.8%	A / A / A
ASTRAZENECA PLC	0.6%	A / A / NR
BANK OF AMERICA CO	1.4%	A / A / AA
BRISTOL-MYERS SQUIBB CO	0.4%	A / A / NR
BROWN-FORMAN CORP	0.2%	A / A / NR
BURLINGTON NORTHERN SANTA FE	0.3%	AA / A / NR
CATERPILLAR INC	0.8%	A / A / A
CHARLES SCHWAB	0.3%	A / A / A

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	25.1%	
CINTAS CORPORATION NO. 2	0.4%	A / A / NR
CITIGROUP INC	0.8%	BBB / A / A
COLGATE-PALMOLIVE COMPANY	0.1%	AA / Aa / NR
COMCAST CORP	0.4%	A / A / A
DEERE & COMPANY	0.7%	A / A / A
EXXON MOBIL CORP	0.3%	AA / Aa / NR
GENERAL DYNAMICS CORP	0.3%	A / A / NR
GOLDMAN SACHS GROUP INC	0.6%	BBB / A / A
HERSHEY COMPANY	0.2%	A / A / NR
HOME DEPOT INC	0.2%	A / A / A
HONEYWELL INTERNATIONAL	0.3%	A / A / A
HORMEL FOODS CORP	0.3%	A / A / NR
HSBC HOLDINGS PLC	0.8%	A / A / A
IBM CORP	0.8%	A / A / NR
JP MORGAN CHASE & CO	1.5%	A / A / AA
MERCK & CO INC	0.3%	A / A / A
MORGAN STANLEY	0.7%	A / A / A
NATIONAL AUSTRALIA BANK LTD	0.5%	AA / Aa / NR
NATIONAL RURAL UTILITIES CO FINANCE CORP	0.5%	A / A / A
PACCAR FINANCIAL CORP	0.8%	A / A / NR
PNC FINANCIAL SERVICES GROUP	0.5%	A / A / A
PRAXAIR INC	0.4%	A / A / NR
RABOBANK NEDERLAND	1.0%	A / Aa / AA
STATE STREET CORPORATION	0.7%	A / A / AA
TARGET CORP	0.4%	A / A / A
THE BANK OF NEW YORK MELLON CORPORATION	1.5%	A / A / AA

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.

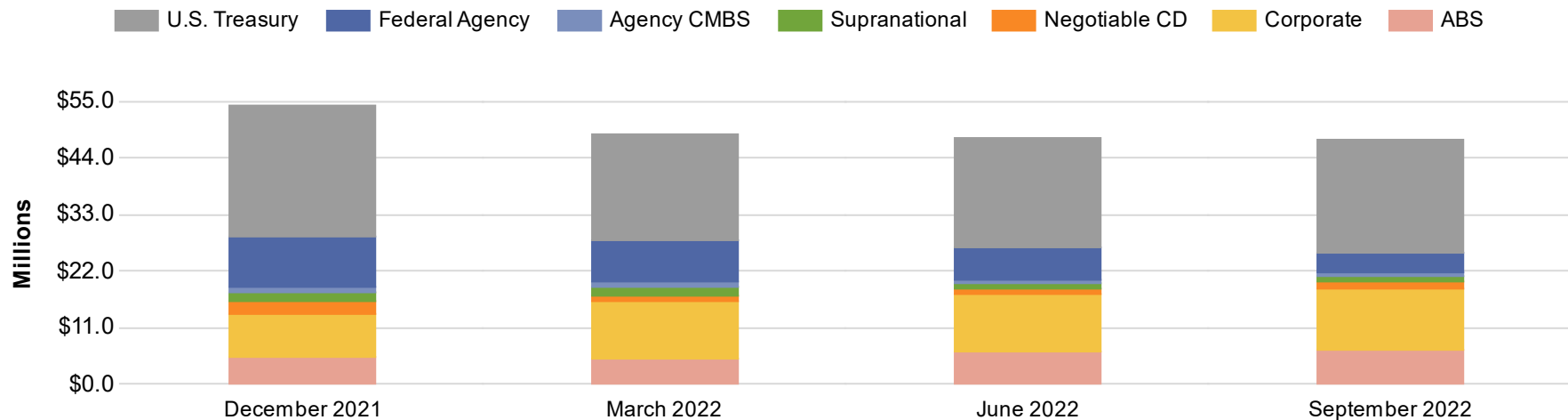
Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	25.1%	
TOYOTA MOTOR CORP	0.8%	A / A / A
TRUIST FIN CORP	0.7%	A / A / A
UNILEVER PLC	0.4%	A / A / A
UNITEDHEALTH GROUP INC	0.4%	A / A / A
WAL-MART STORES INC	0.5%	AA / Aa / AA
ABS	14.2%	
ALLY AUTO RECEIVABLES TRUST	0.5%	AAA / Aaa / NR
AMERICAN EXPRESS CO	0.8%	AAA / NR / AAA
BMW FINANCIAL SERVICES NA LLC	0.1%	AAA / Aaa / NR
BMW VEHICLE OWNER TRUST	0.4%	AAA / Aaa / AAA
CAPITAL ONE FINANCIAL CORP	2.1%	AAA / Aaa / AAA
CARMAX AUTO OWNER TRUST	1.9%	AAA / Aaa / AAA
DISCOVER FINANCIAL SERVICES	1.5%	AAA / Aaa / AAA
FORD CREDIT AUTO OWNER TRUST	0.3%	AAA / NR / AAA
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	1.2%	AAA / Aaa / AAA
GM FINANCIAL LEASINGTRUST	0.5%	AAA / Aaa / AAA
HARLEY-DAVIDSON MOTORCYCLE TRUST	0.6%	AAA / Aaa / NR
HONDA AUTO RECEIVABLES	0.6%	AAA / Aaa / AAA
HYUNDAI AUTO RECEIVABLES	0.9%	AAA / NR / AAA
MERCEDES-BENZ AUTO LEASE TRUST	0.1%	AAA / NR / AAA
NISSAN AUTO RECEIVABLES	0.6%	AAA / Aaa / NR
TOYOTA MOTOR CORP	0.7%	AAA / Aaa / AAA
VERIZON OWNER TRUST	0.8%	AAA / Aaa / AAA
VOLKSWAGEN AUTO LEASE TURST	0.2%	NR / Aaa / AAA
WORLD OMNI AUTO REC TRUST	0.6%	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.

Sector Allocation Review - CITY OF LOS ALTOS INVESTMENT PORTFOLIO

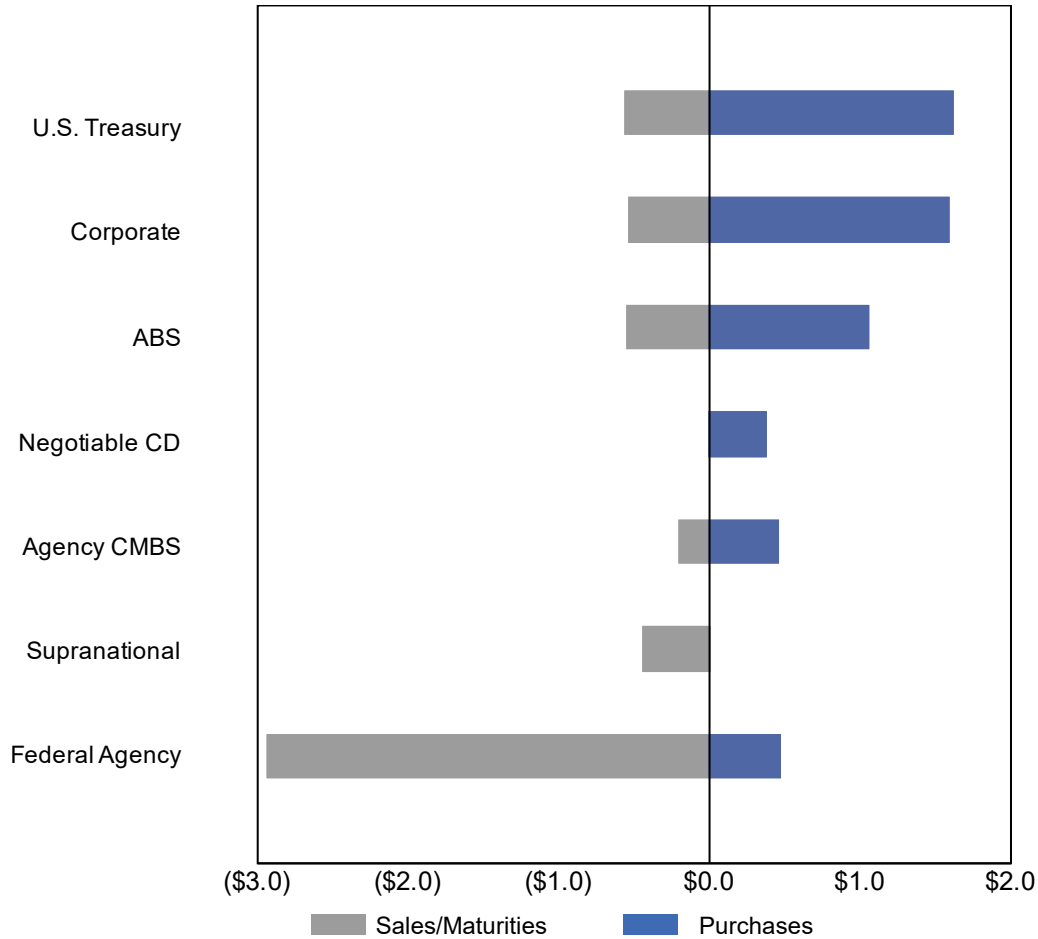
Security Type	Dec-21	% of Total	Mar-22	% of Total	Jun-22	% of Total	Sep-22	% of Total
U.S. Treasury	\$25.6	47.0%	\$20.5	42.1%	\$21.3	44.3%	\$22.0	46.1%
Federal Agency	\$9.9	18.2%	\$8.1	16.8%	\$6.4	13.4%	\$4.0	8.3%
Agency CMBS	\$1.0	1.9%	\$0.9	1.8%	\$0.5	1.0%	\$0.7	1.5%
Supranational	\$1.8	3.3%	\$1.7	3.6%	\$1.3	2.8%	\$0.9	1.9%
Negotiable CD	\$2.2	4.0%	\$1.0	2.1%	\$1.0	2.1%	\$1.4	2.9%
Corporate	\$8.7	16.1%	\$11.4	23.4%	\$11.1	23.1%	\$11.9	25.0%
ABS	\$5.1	9.5%	\$4.9	10.2%	\$6.4	13.3%	\$6.8	14.3%
Total	\$54.3	100.0%	\$48.5	100.0%	\$48.0	100.0%	\$47.6	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 - CITY OF LOS ALTOS INVESTMENT PORTFOLIO

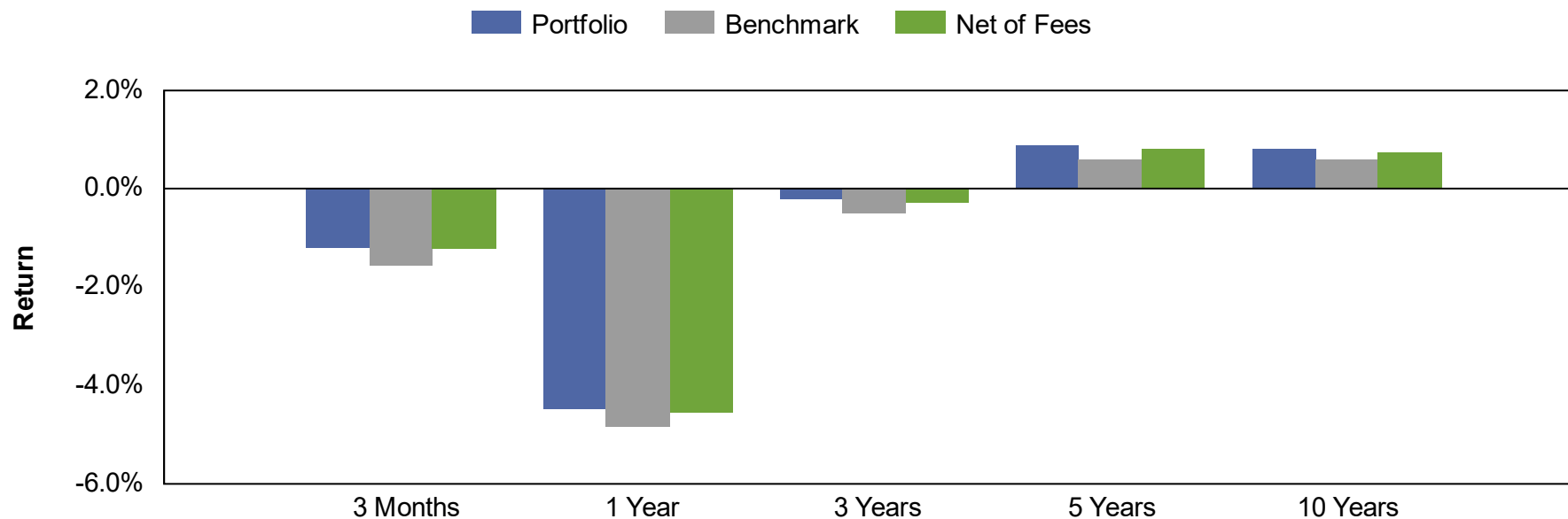
Net Activity by Sector
(\$ millions)



Sector	Net Activity
U.S. Treasury	\$1,061,585
Corporate	\$1,056,381
ABS	\$516,988
Negotiable CD	\$375,000
Agency CMBS	\$263,955
Supranational	(\$431,155)
Federal Agency	(\$2,454,844)
Total Net Activity	\$387,911

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

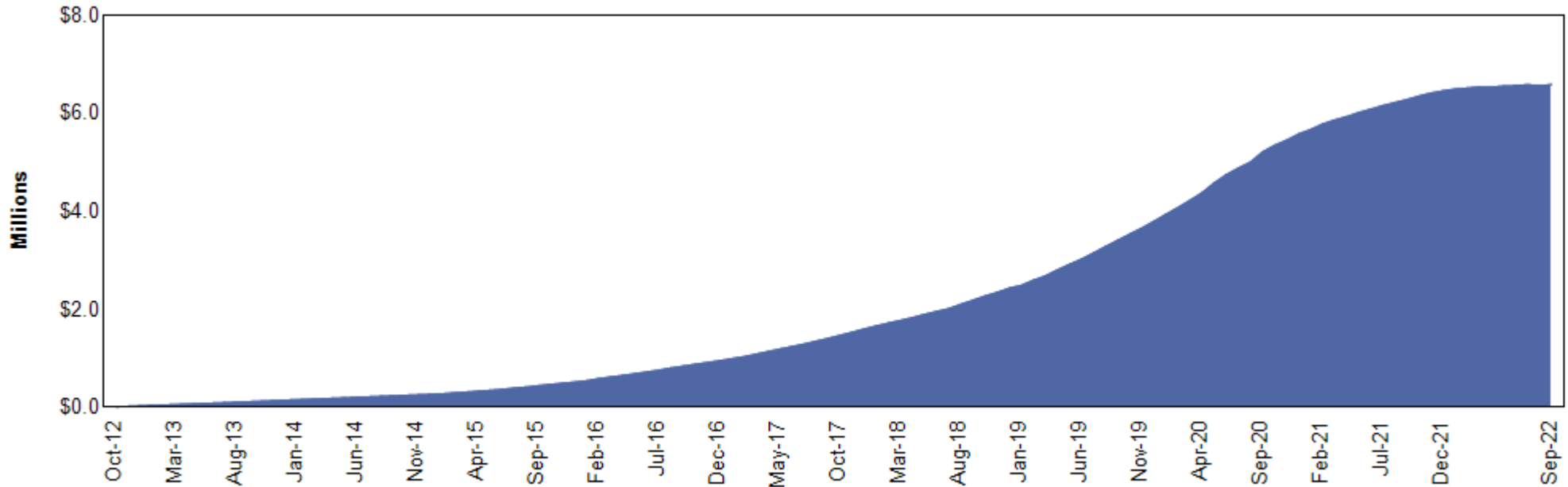
Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	10 Years
Interest Earned ²	\$150,111	\$499,874	\$2,484,805	\$4,801,620	\$6,300,546
Change in Market Value	(\$723,639)	(\$2,802,339)	(\$2,436,165)	(\$1,897,502)	(\$2,179,175)
Total Dollar Return	(\$573,528)	(\$2,302,465)	\$48,640	\$2,904,118	\$4,121,371
Total Return³					
Portfolio	-1.19%	-4.47%	-0.19%	0.88%	0.81%
Benchmark ⁴	-1.56%	-4.86%	-0.48%	0.57%	0.60%
Basis Point Fee	0.02%	0.09%	0.09%	0.09%	0.09%
Net of Fee Return	-1.21%	-4.56%	-0.28%	0.79%	0.72%

1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is June 30, 2010.
 2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
 3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.
 4. The portfolio's benchmark is the ICE BofAML 1-3 Year U.S. Treasury Index. Source: Bloomberg.

Accrual Basis Earnings - CITY OF LOS ALTOS INVESTMENT PORTFOLIO



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	10 Year ¹
Interest Earned ²	\$150,111	\$499,874	\$2,484,805	\$4,801,620	\$6,300,546
Realized Gains / (Losses) ³	(\$116,683)	(\$106,513)	\$863,465	\$495,098	\$516,251
Change in Amortized Cost	(\$9,850)	(\$88,163)	(\$168,026)	(\$113,674)	(\$225,091)
Total Earnings	\$23,577	\$305,198	\$3,180,244	\$5,183,044	\$6,591,705

1. The lesser of 10 years or since inception is shown. Performance inception date is June 30, 2010.
 2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
 3. Realized gains / (losses) are shown on an amortized cost basis.

Issuer Distribution As of September 30, 2022

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	21,998,354	46.19%
FREDDIE MAC	3,904,648	8.21%
CAPITAL ONE FINANCIAL CORP	999,801	2.11%
CARMAX AUTO OWNER TRUST	901,740	1.90%
THE BANK OF NEW YORK MELLON CORPORATION	724,903	1.52%
TOYOTA MOTOR CORP	715,832	1.50%
AMERICAN EXPRESS CO	714,730	1.50%
DISCOVER FINANCIAL SERVICES	695,523	1.46%
JP MORGAN CHASE & CO	695,450	1.46%
BANK OF AMERICA CO	676,075	1.42%
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	591,330	1.24%
DNB ASA	573,473	1.20%
AMAZON.COM INC	548,622	1.15%
INTER-AMERICAN DEVELOPMENT BANK	496,665	1.04%
RABOBANK NEDERLAND	475,304	1.00%
FEDERAL HOME LOAN BANKS	466,480	0.98%
HYUNDAI AUTO RECEIVABLES	447,373	0.94%
CREDIT SUISSE GROUP RK	417,729	0.88%
INTL BANK OF RECONSTRUCTION AND DEV	405,862	0.85%
AMERICAN HONDA FINANCE	404,026	0.85%
CITIGROUP INC	382,133	0.80%
CATERPILLAR INC	378,022	0.79%
VERIZON OWNER TRUST	377,401	0.79%
CREDIT AGRICOLE SA	375,000	0.79%

Issuer	Market Value (\$)	% of Portfolio
PACCAR FINANCIAL CORP	373,748	0.78%
IBM CORP	367,217	0.77%
HSBC HOLDINGS PLC	366,573	0.77%
MORGAN STANLEY	352,483	0.74%
TRUIST FIN CORP	349,901	0.73%
DEERE & COMPANY	349,410	0.73%
STATE STREET CORPORATION	342,358	0.72%
NISSAN AUTO RECEIVABLES	294,498	0.62%
FANNIE MAE	291,212	0.61%
GOLDMAN SACHS GROUP INC	290,544	0.61%
WORLD OMNI AUTO REC TRUST	278,124	0.58%
ASTRAZENECA PLC	271,643	0.57%
HARLEY-DAVIDSON MOTORCYCLE TRUST	269,238	0.57%
HONDA AUTO RECEIVABLES	262,970	0.55%
NATIONAL RURAL UTILITIES CO FINANCE CORP	260,101	0.55%
NATIONAL AUSTRALIA BANK LTD	245,755	0.52%
ALLY AUTO RECEIVABLES TRUST	240,032	0.50%
PNC FINANCIAL SERVICES GROUP	239,537	0.50%
GM FINANCIAL LEASINGTRUST	225,212	0.47%
WAL-MART STORES INC	220,904	0.46%
UNILEVER PLC	214,254	0.45%
COMCAST CORP	196,668	0.41%
TARGET CORP	196,282	0.41%
BRISTOL-MYERS SQUIBB CO	191,355	0.40%
BMW VEHICLE OWNER TRUST	183,082	0.38%
UNITEDHEALTH GROUP INC	177,916	0.37%
CINTAS CORPORATION NO. 2	169,490	0.36%

Issuer	Market Value (\$)	% of Portfolio
PRAXAIR INC	167,106	0.35%
CHARLES SCHWAB	165,620	0.35%
HORMEL FOODS CORP	163,897	0.34%
HONEYWELL INTERNATIONAL	160,980	0.34%
GENERAL DYNAMICS CORP	160,200	0.34%
ABBOTT LABORATORIES	158,709	0.33%
MERCK & CO INC	124,640	0.26%
EXXON MOBIL CORP	123,932	0.26%
FORD CREDIT AUTO OWNER TRUST	123,754	0.26%
BURLINGTON NORTHERN SANTA FE	119,966	0.25%
HERSHEY COMPANY	117,622	0.25%
BROWN-FORMAN CORP	111,415	0.23%
VOLKSWAGEN AUTO LEASE TURST	98,231	0.21%
HOME DEPOT INC	92,178	0.19%
BMW FINANCIAL SERVICES NA LLC	70,293	0.15%
COLGATE-PALMOLIVE COMPANY	52,968	0.11%
MERCEDES-BENZ AUTO LEASE TRUST	37,777	0.08%
Grand Total	47,636,264	100.00%

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 09/30/2021 0.250% 09/30/2023	91282CDA6	925,000.00	AA+	Aaa	10/1/2021	10/6/2021	924,494.15	0.28	6.35	924,745.68	888,289.06
US TREASURY N/B NOTES DTD 10/31/2021 0.375% 10/31/2023	91282CDD0	1,425,000.00	AA+	Aaa	11/1/2021	11/3/2021	1,420,880.86	0.52	2,236.24	1,422,761.95	1,365,773.44
US TREASURY NOTES DTD 11/15/2020 0.250% 11/15/2023	91282CAW1	2,150,000.00	AA+	Aaa	12/1/2020	12/3/2020	2,152,015.63	0.22	2,030.23	2,150,767.32	2,054,593.75
US TREASURY N/B NOTES DTD 11/30/2021 0.500% 11/30/2023	91282CDM0	600,000.00	AA+	Aaa	12/1/2021	12/3/2021	599,039.06	0.58	1,008.20	599,438.24	574,125.00
US TREASURY NOTES DTD 12/15/2020 0.125% 12/15/2023	91282CBA8	1,500,000.00	AA+	Aaa	1/6/2021	1/7/2021	1,496,425.78	0.21	553.28	1,498,532.97	1,426,640.70
US TREASURY NOTES DTD 01/15/2021 0.125% 01/15/2024	91282CBE0	2,300,000.00	AA+	Aaa	2/2/2021	2/3/2021	2,296,316.41	0.18	609.38	2,298,387.57	2,179,609.26
US TREASURY NOTES DTD 02/15/2021 0.125% 02/15/2024	91282CBM2	350,000.00	AA+	Aaa	2/23/2021	2/25/2021	349,015.63	0.22	55.88	349,544.56	330,476.58
US TREASURY NOTES DTD 02/15/2021 0.125% 02/15/2024	91282CBM2	1,250,000.00	AA+	Aaa	3/1/2021	3/3/2021	1,244,580.08	0.27	199.55	1,247,478.41	1,180,273.50
US TREASURY NOTES DTD 05/01/2017 2.000% 04/30/2024	912828X70	575,000.00	AA+	Aaa	4/1/2021	4/5/2021	603,547.85	0.37	4,812.50	589,694.12	554,425.81
US TREASURY N/B NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	2,000,000.00	AA+	Aaa	7/1/2021	7/7/2021	1,987,031.25	0.47	1,475.41	1,992,477.16	1,867,500.00
US TREASURY N/B NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	142,000.00	AA+	Aaa	6/22/2021	6/24/2021	141,173.52	0.45	104.75	141,526.31	132,592.50
US TREASURY N/B NOTES DTD 07/15/2021 0.375% 07/15/2024	91282CCL3	750,000.00	AA+	Aaa	8/4/2021	8/6/2021	750,878.91	0.33	596.13	750,534.38	700,078.13
US TREASURY N/B NOTES DTD 07/15/2021 0.375% 07/15/2024	91282CCL3	600,000.00	AA+	Aaa	8/9/2021	8/10/2021	599,367.19	0.41	476.90	599,613.81	560,062.50
US TREASURY N/B NOTES DTD 08/15/2021 0.375% 08/15/2024	91282CCT6	1,575,000.00	AA+	Aaa	9/1/2021	9/3/2021	1,573,277.34	0.41	754.33	1,573,905.94	1,464,750.00
US TREASURY N/B NOTES DTD 09/15/2021 0.375% 09/15/2024	91282CCX7	1,000,000.00	AA+	Aaa	10/1/2021	10/6/2021	995,937.50	0.51	165.75	997,297.97	927,187.50

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 10/31/2019 1.500% 10/31/2024	912828YM6	1,650,000.00	AA+	Aaa	5/4/2021	5/6/2021	1,710,263.67	0.44	10,357.34	1,685,997.37	1,559,765.63
US TREASURY NOTES DTD 11/30/2019 1.500% 11/30/2024	912828YV6	975,000.00	AA+	Aaa	6/2/2021	6/7/2021	1,011,181.64	0.42	4,914.96	997,499.75	919,394.58
US TREASURY NOTES DTD 11/30/2019 1.500% 11/30/2024	912828YV6	575,000.00	AA+	Aaa	6/15/2021	6/17/2021	595,911.13	0.44	2,898.56	588,106.74	542,207.06
US TREASURY N/B NOTES DTD 12/15/2021 1.000% 12/15/2024	91282CDN8	325,000.00	AA+	Aaa	1/3/2022	1/5/2022	324,771.48	1.02	959.02	324,828.66	302,757.81
US TREASURY NOTES DTD 06/30/2020 0.250% 06/30/2025	912828ZW3	1,000,000.00	AA+	Aaa	6/1/2022	6/3/2022	923,281.25	2.88	631.79	931,479.16	897,187.50
US TREASURY N/B NOTES DTD 07/15/2022 3.000% 07/15/2025	91282CEY3	425,000.00	AA+	Aaa	9/1/2022	9/6/2022	418,708.01	3.55	2,702.45	418,858.82	410,789.06
US TREASURY N/B NOTES DTD 07/15/2022 3.000% 07/15/2025	91282CEY3	1,200,000.00	AA+	Aaa	8/5/2022	8/8/2022	1,195,453.13	3.14	7,630.43	1,195,682.17	1,159,875.00
Security Type Sub-Total		23,292,000.00					23,313,551.47	0.67	45,179.43	23,279,159.06	21,998,354.37
Supranational											
INTL BK RECON & DEVELOP NOTES DTD 11/24/2020 0.250% 11/24/2023	459058JM6	425,000.00	AAA	Aaa	11/17/2020	11/24/2020	424,086.25	0.32	374.83	424,650.36	405,862.25
INTER-AMERICAN DEVEL BK NOTES DTD 09/23/2021 0.500% 09/23/2024	4581X0DZ8	535,000.00	AAA	Aaa	9/15/2021	9/23/2021	534,604.10	0.52	59.44	534,738.84	496,664.58
Security Type Sub-Total		960,000.00					958,690.35	0.43	434.27	959,389.20	902,526.83
Negotiable CD											
DNB BANK ASA/NY LT CD DTD 12/06/2019 2.040% 12/02/2022	23341VZT1	575,000.00	A-1+	P-1	12/4/2019	12/6/2019	575,000.00	2.03	3,942.58	575,000.00	573,473.38
CREDIT SUISSE NEW YORK CERT DEPOS DTD 03/23/2021 0.590% 03/17/2023	22552G3C2	425,000.00	A-1	P-1	3/19/2021	3/23/2021	425,000.00	0.59	1,379.13	425,000.00	417,728.68

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											
CREDIT AGRICOLE CIB NY CERT DEPOS DTD 08/19/2022 4.100% 08/16/2024	22536AZR8	375,000.00	A+	Aa3	8/17/2022	8/19/2022	375,000.00	4.07	1,836.46	375,000.00	375,000.00
Security Type Sub-Total		1,375,000.00					1,375,000.00	2.15	7,158.17	1,375,000.00	1,366,202.06
Federal Agency											
FREDDIE MAC NOTES DTD 08/21/2020 0.250% 08/24/2023	3137EAEV7	900,000.00	AA+	Aaa	8/19/2020	8/21/2020	899,082.00	0.28	231.25	899,726.61	869,197.50
FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023	3137EAEW5	735,000.00	AA+	Aaa	9/2/2020	9/4/2020	734,757.45	0.26	117.39	734,924.52	708,446.66
FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023	3137EAEW5	465,000.00	AA+	Aaa	9/2/2020	9/4/2020	465,084.91	0.24	74.27	465,026.42	448,200.95
FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023	3137EAEW5	625,000.00	AA+	Aaa	10/7/2020	10/8/2020	624,800.00	0.26	99.83	624,935.77	602,420.62
FREDDIE MAC NOTES DTD 12/04/2020 0.250% 12/04/2023	3137EAF A2	900,000.00	AA+	Aaa	12/2/2020	12/4/2020	899,109.00	0.28	731.25	899,650.92	858,314.70
FEDERAL HOME LOAN BANK NOTES (CALLABLE) DTD 11/08/2021 1.000% 11/08/2024	3130APQ81	500,000.00	AA+	Aaa	8/5/2022	8/9/2022	474,207.91	3.40	1,986.11	475,870.90	466,480.00
Security Type Sub-Total		4,125,000.00					4,097,041.27	0.64	3,240.10	4,100,135.14	3,953,060.43
Corporate											
GOLDMAN SACHS CORP NOTES DTD 03/03/2014 4.000% 03/03/2024	38141GVM3	150,000.00	BBB+	A2	1/21/2021	1/25/2021	165,336.00	0.67	466.67	157,025.05	147,667.05
CHARLES SCHWAB CORP NOTES (CALLABLE) DTD 03/18/2021 0.750% 03/18/2024	808513BN4	175,000.00	A	A2	3/16/2021	3/18/2021	174,912.50	0.77	47.40	174,957.37	165,620.00
COMCAST CORP (CALLABLE) CORPORATE NOTES DTD 10/05/2018 3.700% 04/15/2024	20030NCR0	200,000.00	A-	A3	5/7/2020	5/11/2020	219,118.00	1.20	3,412.22	207,230.53	196,668.40
AMAZON.COM INC CORPORATE NOTES DTD 05/12/2021 0.450% 05/12/2024	023135BW5	225,000.00	AA	A1	5/10/2021	5/12/2021	224,671.50	0.50	390.94	224,823.46	211,047.53

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											
CITIGROUP INC (CALLABLE) CORPORATE NOTES DTD 05/14/2020 1.678% 05/15/2024	172967MR9	150,000.00	BBB+	A3	5/7/2020	5/14/2020	150,000.00	1.68	950.87	150,000.00	146,772.00
UNITEDHEALTH GROUP INC (CALLABLE) CORP N DTD 05/19/2021 0.550% 05/15/2024	91324PEB4	190,000.00	A+	A3	5/17/2021	5/19/2021	189,802.40	0.59	394.78	189,892.88	177,916.00
CITIGROUP INC (CALLABLE) CORPORATE NOTES DTD 05/14/2020 1.678% 05/15/2024	172967MR9	75,000.00	BBB+	A3	10/2/2020	10/6/2020	76,853.25	0.98	475.43	75,440.41	73,386.00
CATERPILLAR FINL SERVICE CORPORATE NOTES DTD 05/17/2021 0.450% 05/17/2024	14913R2L0	275,000.00	A	A2	5/10/2021	5/17/2021	274,631.50	0.50	460.63	274,800.28	257,251.50
HSBC USA INC CORPORATE NOTES DTD 05/24/2022 3.750% 05/24/2024	40428HTA0	375,000.00	A-	A1	5/17/2022	5/24/2022	374,985.00	3.75	4,960.94	374,987.67	366,572.63
ASTRAZENECA FINANCE LLC (CALLABLE) CORP DTD 05/28/2021 0.700% 05/28/2024	04636NAC7	290,000.00	A-	A3	5/25/2021	5/28/2021	289,973.90	0.70	693.58	289,985.59	271,642.71
HORMEL FOODS CORP NOTES (CALLABLE) DTD 06/03/2021 0.650% 06/03/2024	440452AG5	175,000.00	A	A1	3/10/2022	3/14/2022	169,457.75	2.12	372.85	170,829.66	163,897.30
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 06/10/2021 0.450% 06/07/2024	24422EVQ9	80,000.00	A	A2	6/7/2021	6/10/2021	79,900.00	0.49	114.00	79,943.73	74,914.56
TARGET CORP CORPORATE NOTES DTD 06/26/2014 3.500% 07/01/2024	87612EBD7	200,000.00	A	A2	11/23/2021	11/29/2021	212,528.00	1.04	1,750.00	208,471.31	196,281.80
BANK OF AMERICA (CALLABLE) CORP NOTES DTD 07/23/2018 3.864% 07/23/2024	06051GHL6	200,000.00	A-	A2	9/28/2020	10/1/2020	216,830.00	1.58	1,459.73	204,894.99	196,931.60
BRISTOL MYERS SQUIBB CO CORP NOTES (CALL DTD 01/26/2020 2.900% 07/26/2024	110122CM8	83,000.00	A+	A2	10/5/2020	10/7/2020	89,863.27	0.69	434.60	86,204.21	80,210.20
AMERICAN EXPRESS CO CORP NOTES (CALLABLE) DTD 07/30/2019 2.500% 07/30/2024	025816CG2	225,000.00	BBB+	A2	11/19/2021	11/23/2021	233,055.00	1.14	953.13	230,409.57	215,481.15

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											
AMERICAN HONDA FINANCE CORPORATE NOTES DTD 09/09/2021 0.750% 08/09/2024	02665WDY4	185,000.00	A-	A3	9/7/2021	9/9/2021	184,877.90	0.77	200.42	184,922.27	171,964.72
PACCAR FINANCIAL CORP CORPORATE NOTES DTD 08/09/2021 0.500% 08/09/2024	69371RR40	145,000.00	A+	A1	8/3/2021	8/9/2021	144,921.70	0.52	104.72	144,951.56	134,587.41
UNILEVER CAPITAL CORP (CALLABLE) CORPORA DTD 08/12/2021 0.626% 08/12/2024	904764BN6	100,000.00	A+	A1	8/9/2021	8/12/2021	100,000.00	0.63	85.21	100,000.00	92,822.40
COOPERAT RABOBANK UA/NY CORPORATE NOTES DTD 08/22/2022 3.875% 08/22/2024	21688AAU6	250,000.00	A+	Aa2	8/15/2022	8/22/2022	249,885.00	3.90	1,049.48	249,891.29	245,103.00
GOLDMAN SACHS GROUP INC (CALLABLE) CORP DTD 06/10/2021 0.657% 09/10/2024	38141GYE8	150,000.00	BBB+	A2	6/7/2021	6/10/2021	150,000.00	0.66	57.49	150,000.00	142,876.80
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 09/13/2021 0.625% 09/13/2024	89236TJN6	200,000.00	A+	A1	9/8/2021	9/13/2021	199,906.00	0.64	62.50	199,938.85	184,944.40
BANK OF AMERICA CORP (CALLABLE) CORPORAT DTD 10/21/2020 0.810% 10/24/2024	06051GJH3	275,000.00	A-	A2	10/16/2020	10/21/2020	275,000.00	0.81	971.44	275,000.00	261,249.18
COOPERATIEVE RABOBANK UA CORPORATE NOTES DTD 01/12/2022 1.375% 01/10/2025	21688AAS1	250,000.00	A+	Aa2	1/19/2022	1/24/2022	248,020.00	1.65	773.44	248,477.49	230,200.50
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 01/10/2022 1.250% 01/10/2025	24422EVY2	220,000.00	A	A2	1/4/2022	1/10/2022	219,896.60	1.27	618.75	219,921.51	203,859.92
AMERICAN HONDA FINANCE CORPORATE NOTES DTD 01/13/2022 1.500% 01/13/2025	02665WEA5	250,000.00	A-	A3	1/11/2022	1/13/2022	249,802.50	1.53	812.50	249,849.53	232,061.00
LINDE INC/CT (CALLABLE) CORPORATE NOTES DTD 02/05/2015 2.650% 02/05/2025	74005PBN3	175,000.00	A	A2	3/4/2022	3/8/2022	177,549.75	2.13	721.39	177,007.31	167,106.45
NATIONAL RURAL UTIL COOP CORPORATE NOTES DTD 02/07/2022 1.875% 02/07/2025	63743HFC1	65,000.00	A-	A2	2/22/2022	2/24/2022	64,400.70	2.20	182.81	64,522.34	60,809.52

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											
NATIONAL RURAL UTIL COOP CORPORATE NOTES DTD 02/07/2022 1.875% 02/07/2025	63743HFC1	110,000.00	A-	A2	1/31/2022	2/7/2022	109,996.70	1.88	309.38	109,997.41	102,908.41
MERCK & CO INC CORP NOTES DTD 02/10/2015 2.750% 02/10/2025	58933YAR6	130,000.00	A+	A1	3/9/2021	3/11/2021	138,819.20	0.98	506.46	135,074.33	124,639.58
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	200,000.00	A+	A1	9/23/2021	9/27/2021	205,542.00	0.96	480.00	203,886.13	186,807.00
JPMORGAN CHASE & CO CORP NOTES (CALLABLE) DTD 02/16/2021 0.563% 02/16/2025	46647PBY1	170,000.00	A-	A1	2/9/2021	2/16/2021	170,000.00	0.56	119.64	170,000.00	158,895.43
AMERICAN EXPRESS CO CORP NOTES (CALLABLE) DTD 03/04/2022 2.250% 03/04/2025	025816CQ0	100,000.00	BBB+	A2	3/2/2022	3/4/2022	99,821.00	2.31	168.75	99,855.46	93,829.40
AMERICAN EXPRESS CO CORP NOTES (CALLABLE) DTD 03/04/2022 2.250% 03/04/2025	025816CQ0	50,000.00	BBB+	A2	3/1/2022	3/4/2022	49,949.50	2.29	84.38	49,959.22	46,914.70
EXXON MOBIL CORP CORPORATE NT (CALLABLE) DTD 03/06/2015 2.709% 03/06/2025	30231GAF9	130,000.00	AA-	Aa2	3/26/2021	3/30/2021	138,049.60	1.10	244.56	134,762.83	123,932.38
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 03/07/2022 2.125% 03/07/2025	24422EWB1	25,000.00	A	A2	3/2/2022	3/7/2022	24,989.25	2.14	35.42	24,991.29	23,545.03
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 03/07/2022 2.125% 03/07/2025	24422EWB1	50,000.00	A	A2	3/3/2022	3/7/2022	50,100.00	2.06	70.83	50,081.02	47,090.05
ABBOTT LABORATORIES CORP NOTE (CALLABLE) DTD 03/10/2015 2.950% 03/15/2025	002824BB5	165,000.00	AA-	A1	3/10/2022	3/14/2022	167,547.60	2.41	216.33	167,039.09	158,709.05
UNILEVER CAPITAL CORP NOTES (CALLABLE) DTD 03/22/2018 3.375% 03/22/2025	904764BB2	125,000.00	A+	A1	2/22/2022	2/24/2022	129,088.75	2.27	105.47	127,894.83	121,431.88
BURLINGTN NORTH SANTA FE CORP NOTES (CAL DTD 03/09/2015 3.000% 04/01/2025	12189LAV3	125,000.00	AA-	A3	3/5/2021	3/9/2021	134,578.75	1.07	1,875.00	130,655.17	119,965.88

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											
PACCAR FINANCIAL CORP CORPORATE NOTES DTD 04/07/2022 2.850% 04/07/2025	69371RR73	250,000.00	A+	A1	3/31/2022	4/7/2022	249,935.00	2.86	3,443.75	249,945.50	239,160.50
AMAZON.COM INC CORPORATE NOTES DTD 04/13/2022 3.000% 04/13/2025	023135CE4	350,000.00	AA	A1	4/11/2022	4/13/2022	349,443.50	3.06	4,900.00	349,530.33	337,574.30
HOME DEPOT INC (CALLABLE) CORPORATE NOTE DTD 03/28/2022 2.700% 04/15/2025	437076CM2	40,000.00	A	A2	3/24/2022	3/28/2022	39,930.00	2.76	549.00	39,941.75	38,136.48
BROWN-FORMAN CORP NOTES (CALLABLE) DTD 03/26/2018 3.500% 04/15/2025	115637AS9	115,000.00	A-	A1	2/24/2022	2/28/2022	119,465.45	2.21	1,855.97	118,578.96	111,414.76
BANK OF NY MELLON (CALLABLE) CORP NOTES DTD 04/24/2020 1.600% 04/24/2025	06406RAN7	125,000.00	A	A1	3/10/2022	3/14/2022	121,988.75	2.41	872.22	122,521.08	115,080.37
BANK OF NY MELLON (CALLABLE) CORP NOTES DTD 04/24/2020 1.600% 04/24/2025	06406RAN7	135,000.00	A	A1	3/9/2021	3/11/2021	138,202.20	1.01	942.00	136,966.07	124,286.81
BANK OF NY MELLON CORP (CALLABLE) CORP N DTD 04/26/2022 3.350% 04/25/2025	06406RBC0	250,000.00	A	A1	4/19/2022	4/26/2022	249,965.00	3.36	3,605.90	249,970.05	241,228.75
CINTAS CORPORATION NO. 2 CORP NOTE (CALL DTD 05/03/2022 3.450% 05/01/2025	17252MAP5	105,000.00	A-	A3	4/26/2022	5/3/2022	104,976.90	3.46	1,489.25	104,980.09	101,694.18
CINTAS CORPORATION NO. 2 CORP NOTE (CALL DTD 05/03/2022 3.450% 05/01/2025	17252MAP5	70,000.00	A-	A3	5/2/2022	5/4/2022	69,794.90	3.55	992.83	69,823.05	67,796.12
CITIGROUP INC (CALLABLE) CORPORATE NOTES DTD 05/04/2021 0.981% 05/01/2025	172967MX6	175,000.00	BBB+	A3	4/28/2021	5/4/2021	175,458.50	0.91	715.31	175,242.46	161,975.28
CATERPILLAR FINL SERVICE CORPORATE NOTES DTD 05/13/2022 3.400% 05/13/2025	14913R2V8	95,000.00	A	A2	5/10/2022	5/13/2022	94,879.35	3.44	1,238.17	94,894.87	91,785.58
CATERPILLAR FINL SERVICE CORPORATE NOTES DTD 05/13/2022 3.400% 05/13/2025	14913R2V8	30,000.00	A	A2	5/10/2022	5/13/2022	29,997.00	3.40	391.00	29,997.39	28,984.92

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											
GENERAL DYNAMICS CORP (CALLABLE) CORP NO DTD 05/11/2018 3.500% 05/15/2025	369550BG2	165,000.00	A-	A3	3/4/2022	3/8/2022	171,512.55	2.21	2,181.67	170,290.34	160,199.82
JPMORGAN CHASE & CO (CALLABLE) CORP NOTE DTD 06/01/2021 0.824% 06/01/2025	46647PCH7	345,000.00	A-	A1	5/24/2021	6/1/2021	345,000.00	0.82	947.60	345,000.00	319,313.72
HERSHEY CO CORP NOTES (CALLABLE) DTD 06/01/2020 0.900% 06/01/2025	427866BF4	130,000.00	A	A1	2/23/2022	2/25/2022	124,784.40	2.18	390.00	125,738.26	117,621.79
PNC BANK NA CORP NOTE (CALLABLE) DTD 06/01/2015 3.250% 06/01/2025	69353REQ7	250,000.00	A	A2	8/23/2022	8/25/2022	245,665.00	3.92	2,708.33	245,823.65	239,536.50
HONEYWELL INTL CORP NOTES (CALLABLE) DTD 05/18/2020 1.350% 06/01/2025	438516CB0	175,000.00	A	A2	3/2/2022	3/4/2022	171,234.00	2.04	787.50	171,904.57	160,979.70
TRUIST FINANCIAL CORP NOTES (CALLABLE) DTD 06/05/2018 3.700% 06/05/2025	05531FBE2	231,000.00	A-	A3	2/7/2022	2/9/2022	242,822.58	2.10	2,754.03	240,480.09	223,095.18
NATIONAL AUSTRALIA BK/NY CORPORATE NOTES DTD 06/09/2022 3.500% 06/09/2025	63254ABD9	255,000.00	AA-	Aa3	5/31/2022	6/9/2022	255,000.00	3.50	2,776.67	255,000.00	245,754.72
NATIONAL RURAL UTIL COOP CORPORATE NOTES DTD 05/04/2022 3.450% 06/15/2025	63743HFE7	40,000.00	A-	A2	4/27/2022	5/4/2022	39,989.20	3.46	563.50	39,990.62	38,553.08
NATIONAL RURAL UTIL COOP CORPORATE NOTES DTD 05/04/2022 3.450% 06/15/2025	63743HFE7	60,000.00	A-	A2	5/2/2022	5/4/2022	59,680.20	3.63	845.25	59,722.35	57,829.62
JP MORGAN CHASE CORP NOTES (CALLABLE) DTD 07/21/2015 3.900% 07/15/2025	46625HMN7	225,000.00	A-	A1	3/10/2022	3/14/2022	232,026.75	2.91	1,852.50	230,774.64	217,240.88
MORGAN STANLEY CORP NOTES DTD 07/23/2015 4.000% 07/23/2025	6174468C6	85,000.00	A-	A1	6/22/2022	6/24/2022	84,900.55	4.04	642.22	84,909.30	82,437.25
IBM CORP CORPORATE NOTES DTD 07/27/2022 4.000% 07/27/2025	459200KS9	375,000.00	A-	A3	7/20/2022	7/27/2022	375,000.00	4.00	2,666.67	375,000.00	367,216.88

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											
BANK OF AMERICA CORP NOTES DTD 07/30/2015 3.875% 08/01/2025	06051GFS3	225,000.00	A-	A2	3/10/2022	3/14/2022	232,420.50	2.84	1,453.13	231,213.77	217,893.83
COLGATE-PALMOLIVE CO CORPORATE NOTES DTD 08/09/2022 3.100% 08/15/2025	194162AM5	55,000.00	AA-	Aa3	8/1/2022	8/9/2022	54,949.40	3.13	246.28	54,951.83	52,967.53
WALMART INC CORPORATE NOTES DTD 09/09/2022 3.900% 09/09/2025	931142EW9	225,000.00	AA	Aa2	9/6/2022	9/9/2022	224,842.50	3.93	536.25	224,845.66	220,903.88
HOME DEPOT INC NOTES (CALLABLE) DTD 09/19/2022 4.000% 09/15/2025	437076CR1	55,000.00	A	A2	9/12/2022	9/19/2022	54,980.20	4.01	73.33	54,980.42	54,041.35
BRISTOL-MYERS SQUIBB CO CORPORATE NOTES DTD 11/13/2020 0.750% 11/13/2025	110122DN5	125,000.00	A+	A2	2/22/2022	2/24/2022	118,435.00	2.23	359.38	119,493.72	111,144.63
STATE STREET CORP (CALLABLE) CORPORATE N DTD 02/07/2022 1.746% 02/06/2026	857477BR3	110,000.00	A	A1	2/2/2022	2/7/2022	110,000.00	1.75	293.43	110,000.00	101,785.09
MORGAN STANLEY CORP NOTES (CALLABLE) DTD 02/18/2022 2.630% 02/18/2026	61747YEM3	290,000.00	A-	A1	2/16/2022	2/18/2022	290,000.00	2.63	911.00	290,000.00	270,045.39
STATE STREET CORP NOTES (CALLABLE) DTD 10/29/2020 2.901% 03/30/2026	857477BM4	255,000.00	A	A1	2/17/2022	2/22/2022	260,133.15	2.38	20.55	259,131.01	240,572.61
BANK OF NEW YORK MELLON CORP NOTES (CALL DTD 07/26/2022 4.414% 07/24/2026	06406RBJ5	170,000.00	A	A1	7/20/2022	7/26/2022	170,554.20	4.32	1,354.85	170,520.26	166,128.59
BANK OF NEW YORK MELLON CORP NOTES (CALL DTD 07/26/2022 4.414% 07/24/2026	06406RBJ5	80,000.00	A	A1	7/19/2022	7/26/2022	80,000.00	4.41	637.58	80,000.00	78,178.16
TRUIST FIN CORP NOTES (CALLABLE) DTD 07/28/2022 4.260% 07/28/2026	89788MAH5	65,000.00	A-	A3	7/26/2022	7/28/2022	65,065.00	4.23	484.58	65,061.15	63,402.69
TRUIST FIN CORP NOTES (CALLABLE) DTD 07/28/2022 4.260% 07/28/2026	89788MAH5	65,000.00	A-	A3	7/25/2022	7/28/2022	65,000.00	4.26	484.58	65,000.00	63,402.69
Security Type Sub-Total		12,509,000.00					12,642,692.30	2.09	74,160.42	12,580,798.88	11,907,878.15

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											
FHLMC MULTIFAMILY STRUCTURED P DTD 05/01/2013 2.510% 11/01/2022	3137B1BS0	171,253.93	AA+	Aaa	8/13/2019	8/16/2019	174,090.32	1.98	358.21	171,328.89	170,662.55
FNA 2013-M7 A2 DTD 05/01/2013 2.280% 12/01/2022	3136AEGQ4	34,122.33	AA+	Aaa	9/11/2019	9/16/2019	34,334.94	2.08	64.83	34,133.40	34,122.33
FNA 2013-M7 A2 DTD 05/01/2013 2.280% 12/01/2022	3136AEGQ4	44,864.55	AA+	Aaa	9/4/2019	9/9/2019	45,452.32	1.86	85.25	44,894.96	44,864.55
FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	7,400.02	AA+	Aaa	12/7/2018	12/17/2018	7,399.99	3.20	19.75	7,400.02	7,296.12
FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/01/2024	3137FQ3V3	1,236.72	AA+	Aaa	11/20/2019	11/26/2019	1,236.69	2.09	2.16	1,236.71	1,236.72
FHMS K053 A2 DTD 03/29/2016 2.995% 12/01/2025	3137BN6G4	250,000.00	AA+	Aaa	8/4/2022	8/9/2022	247,119.14	3.36	623.96	247,119.14	238,872.00
FNA 2016-M3 A2 DTD 03/31/2016 2.702% 02/01/2026	3136ARTE8	224,625.81	AA+	Aaa	8/31/2022	9/6/2022	217,018.36	3.76	505.78	217,018.36	212,224.67
Security Type Sub-Total		733,503.36					726,651.76	2.99	1,659.94	723,131.48	709,278.94
ABS											
GMALT 2020-3 A3 DTD 09/29/2020 0.450% 08/21/2023	362569AC9	18,279.21	AAA	Aaa	9/22/2020	9/29/2020	18,277.46	0.45	2.51	18,278.67	18,253.33
MBALT 2020-B A3 DTD 09/23/2020 0.400% 11/15/2023	58769EAC2	37,953.27	AAA	NR	9/15/2020	9/23/2020	37,951.35	0.40	6.75	37,952.58	37,777.07
BMWLT 2021-1 A3 DTD 03/10/2021 0.290% 01/25/2024	05591RAC8	71,035.66	AAA	Aaa	3/2/2021	3/10/2021	71,033.40	0.29	3.43	71,034.63	70,293.16
CARMX 2019-2 A3 DTD 04/17/2019 2.680% 03/15/2024	14316LAC7	15,523.79	AAA	NR	4/9/2019	4/17/2019	15,522.21	2.68	18.49	15,523.32	15,518.18
VZOT 2019-C A1A DTD 10/08/2019 1.940% 04/22/2024	92348AAA3	61,763.72	AAA	NR	10/1/2019	10/8/2019	61,758.95	1.94	36.61	61,762.08	61,652.48
GMALT 2021-2 A3 DTD 05/26/2021 0.340% 05/20/2024	380144AC9	209,998.35	AAA	NR	5/18/2021	5/26/2021	209,965.38	0.35	21.82	209,980.29	206,958.71
NAROT 2019-C A3 DTD 10/23/2019 1.930% 07/15/2024	65479JAD5	60,974.84	AAA	Aaa	10/16/2019	10/23/2019	60,971.62	1.93	52.30	60,973.62	60,747.44
VZOT 2020-A A1A DTD 01/29/2020 1.850% 07/22/2024	92348TAA2	47,189.61	AAA	Aaa	1/21/2020	1/29/2020	47,184.09	1.85	26.68	47,187.38	46,953.47

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											
TAOT 2020-C A3 DTD 07/27/2020 0.440% 10/15/2024	89237VAB5	102,143.93	AAA	Aaa	7/21/2020	7/27/2020	102,136.07	0.44	19.97	102,140.13	100,506.76
HDMOT 2020-A A3 DTD 01/29/2020 1.870% 10/15/2024	41284UAD6	22,944.13	AAA	Aaa	1/21/2020	1/29/2020	22,939.12	1.87	19.07	22,941.96	22,867.96
HAROT 2020-3 A3 DTD 09/29/2020 0.370% 10/18/2024	43813KAC6	118,702.47	AAA	NR	9/22/2020	9/29/2020	118,685.04	0.37	15.86	118,693.66	116,066.37
BMWOT 2020-A A3 DTD 07/15/2020 0.480% 10/25/2024	09661RAD3	52,073.92	AAA	NR	7/8/2020	7/15/2020	52,069.99	0.48	4.17	52,072.02	51,356.41
HART 2020-B A3 DTD 07/22/2020 0.480% 12/16/2024	44933FAC0	89,659.80	AAA	NR	7/14/2020	7/22/2020	89,643.02	0.48	19.13	89,651.38	88,457.33
CARMX 2020-1 A3 DTD 01/22/2020 1.890% 12/16/2024	14315XAC2	71,262.60	AAA	NR	1/14/2020	1/22/2020	71,248.62	1.89	59.86	71,256.30	70,590.04
VZOT 2020-B A DTD 08/12/2020 0.470% 02/20/2025	92290BAA9	272,780.64	NR	Aaa	8/4/2020	8/12/2020	272,723.36	0.47	39.17	272,750.39	268,794.85
GMCAR 2020-3 A3 DTD 08/19/2020 0.450% 04/16/2025	362590AC5	121,781.81	NR	Aaa	8/11/2020	8/19/2020	121,753.94	0.46	22.83	121,766.61	118,914.94
WOART 2020-B A3 DTD 06/24/2020 0.630% 05/15/2025	98163WAC0	99,015.13	AAA	NR	6/16/2020	6/24/2020	99,007.37	0.63	27.72	99,010.97	97,203.19
VWALT 2022-A A3 DTD 06/14/2022 3.440% 07/21/2025	92868AAC9	100,000.00	NR	Aaa	6/7/2022	6/14/2022	99,992.04	3.44	105.11	99,992.81	98,230.83
HART 2021-A A3 DTD 04/28/2021 0.380% 09/15/2025	44933LAC7	115,000.00	AAA	NR	4/20/2021	4/28/2021	114,987.90	0.38	19.42	114,991.84	111,010.73
HAROT 2021-4 A3 DTD 11/24/2021 0.880% 01/21/2026	43815GAC3	155,000.00	NR	Aaa	11/16/2021	11/24/2021	154,967.33	0.89	37.89	154,974.02	146,903.39
CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314QAC8	125,000.00	AAA	NR	4/13/2021	4/21/2021	124,973.06	0.52	28.89	124,981.13	121,025.58
HART 2021-C A3 DTD 11/17/2021 0.740% 05/15/2026	44935FAD6	120,000.00	AAA	NR	11/9/2021	11/17/2021	119,973.22	0.75	39.47	119,978.41	113,324.47
FORDO 2022-A A3 DTD 01/24/2022 1.290% 06/15/2026	345286AC2	130,000.00	AAA	NR	1/19/2022	1/24/2022	129,984.56	1.29	74.53	129,986.97	123,754.32
CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4	260,000.00	AAA	Aaa	7/21/2021	7/28/2021	259,957.23	0.55	63.56	259,967.54	247,652.44
BMWOT 2022-A A3 DTD 05/18/2022 3.210% 08/25/2026	05602RAD3	135,000.00	AAA	Aaa	5/10/2022	5/18/2022	134,992.98	3.21	72.23	134,993.59	131,725.21

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											
TAOT 2022-B A3 DTD 04/13/2022 2.930% 09/15/2026	89238FAD5	145,000.00	AAA	Aaa	4/7/2022	4/13/2022	144,996.61	2.93	188.82	144,996.97	140,542.34
COPAR 2021-1 A3 DTD 10/27/2021 0.770% 09/15/2026	14044CAC6	160,000.00	AAA	Aaa	10/19/2021	10/27/2021	159,996.98	0.77	54.76	159,997.55	151,230.13
DCENT 2021-A1 A1 DTD 09/27/2021 0.580% 09/15/2026	254683CP8	155,000.00	AAA	Aaa	9/20/2021	9/27/2021	154,966.81	0.58	39.96	154,973.56	143,497.16
GMCAR 2021-4 A3 DTD 10/21/2021 0.680% 09/16/2026	362554AC1	100,000.00	AAA	Aaa	10/13/2021	10/21/2021	99,997.45	0.68	28.33	99,997.94	94,336.04
HART 2022-A A3 DTD 03/16/2022 2.220% 10/15/2026	448977AD0	140,000.00	AAA	NR	3/9/2022	3/16/2022	139,994.61	2.22	138.13	139,995.25	134,580.04
WOART 2021-D A3 DTD 11/03/2021 0.810% 10/15/2026	98163KAC6	190,000.00	AAA	NR	10/26/2021	11/3/2021	189,974.12	0.81	68.40	189,978.87	180,920.57
COMET 2021-A3 A3 DTD 11/30/2021 1.040% 11/15/2026	14041NFY2	305,000.00	AAA	NR	11/18/2021	11/30/2021	304,957.97	1.04	140.98	304,965.05	283,533.06
ALLYA 2022-1 A3 DTD 05/18/2022 3.310% 11/15/2026	02008JAC0	245,000.00	AAA	Aaa	5/10/2022	5/18/2022	244,952.57	3.31	360.42	244,956.50	240,031.65
GMCAR 2022-1 A3 DTD 01/19/2022 1.260% 11/16/2026	380146AC4	110,000.00	AAA	NR	1/11/2022	1/19/2022	109,990.44	1.26	57.75	109,991.82	104,719.52
HDMOT 2022-A A3 DTD 04/20/2022 3.060% 02/15/2027	41284YAD8	255,000.00	AAA	Aaa	4/12/2022	4/20/2022	254,957.54	3.06	346.80	254,961.49	246,370.32
GMCAR 2022-2 A3 DTD 04/13/2022 3.100% 02/16/2027	362585AC5	125,000.00	AAA	Aaa	4/5/2022	4/13/2022	124,973.88	3.10	161.46	124,976.40	121,201.50
CARMX 2022-2 A3 DTD 04/28/2022 3.490% 02/16/2027	14317HAC5	190,000.00	AAA	Aaa	4/21/2022	4/28/2022	189,971.10	3.49	294.71	189,973.67	185,955.66
COMET 2022-A1 A1 DTD 03/30/2022 2.800% 03/15/2027	14041NFZ9	250,000.00	AAA	NR	3/23/2022	3/30/2022	249,981.15	2.80	311.11	249,983.08	240,193.93
TAOT 2022-C A3 DTD 08/16/2022 3.760% 04/15/2027	89231CAD9	105,000.00	AAA	NR	8/8/2022	8/16/2022	104,982.45	3.76	175.47	104,982.92	103,031.25
CARMX 2022-3 A3 DTD 07/20/2022 3.970% 04/15/2027	14318MAD1	265,000.00	AAA	NR	7/12/2022	7/20/2022	264,993.75	3.97	467.58	264,994.01	260,998.58
GMCAR 2022-3 A3 DTD 07/13/2022 3.640% 04/16/2027	36265WAD5	155,000.00	NR	Aaa	7/6/2022	7/13/2022	154,998.93	3.64	235.08	154,998.98	152,157.86
COMET 2022-A2 A DTD 06/14/2022 3.490% 05/15/2027	14041NGA3	335,000.00	AAA	NR	6/6/2022	6/14/2022	334,946.47	3.49	519.62	334,949.72	324,844.01

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											
NAROT 2022-B A3 DTD 09/28/2022 4.460% 05/17/2027	65480JAC4	235,000.00	AAA	Aaa	9/20/2022	9/28/2022	234,951.38	4.46	87.34	234,951.47	233,750.98
AMXCA 2022-2 A DTD 05/24/2022 3.390% 05/17/2027	02582JJT8	370,000.00	AAA	NR	5/17/2022	5/24/2022	369,918.16	3.39	557.47	369,924.01	358,504.25
DCENT 2022-A2 A DTD 05/26/2022 3.320% 05/17/2027	254683CS2	270,000.00	NR	Aaa	5/19/2022	5/26/2022	269,978.05	3.32	398.40	269,979.60	261,637.61
DCENT 2022-A3 A3 DTD 08/09/2022 3.560% 07/15/2027	254683CW3	300,000.00	AAA	Aaa	8/2/2022	8/9/2022	299,962.77	3.56	474.67	299,963.87	290,388.45
Security Type Sub-Total		7,018,082.88					7,017,142.50	2.13	5,944.73	7,017,335.03	6,798,963.57
Managed Account Sub Total		50,012,586.24					50,130,769.65	1.30	137,777.06	50,034,948.79	47,636,264.35
Securities Sub Total		\$50,012,586.24					\$50,130,769.65	1.30%	\$137,777.06	\$50,034,948.79	\$47,636,264.35
Accrued Interest											\$137,777.06
Total Investments											\$47,774,041.41

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY									
7/6/2022	7/13/2022	155,000.00	36265WAD5	GMCAR 2022-3 A3	3.64%	4/16/2027	154,998.93	3.64%	
7/12/2022	7/20/2022	265,000.00	14318MAD1	CARMX 2022-3 A3	3.97%	4/15/2027	264,993.75	3.97%	
7/19/2022	7/26/2022	80,000.00	06406RBJ5	BANK OF NEW YORK MELLON CORP NOTES (CALL	4.41%	7/24/2026	80,000.00	4.41%	
7/20/2022	7/26/2022	170,000.00	06406RBJ5	BANK OF NEW YORK MELLON CORP NOTES (CALL	4.41%	7/24/2026	170,554.20	4.32%	
7/20/2022	7/27/2022	375,000.00	459200KS9	IBM CORP CORPORATE NOTES	4.00%	7/27/2025	375,000.00	4.00%	
7/25/2022	7/28/2022	65,000.00	89788MAH5	TRUIST FIN CORP NOTES (CALLABLE)	4.26%	7/28/2026	65,000.00	4.26%	
7/26/2022	7/28/2022	65,000.00	89788MAH5	TRUIST FIN CORP NOTES (CALLABLE)	4.26%	7/28/2026	65,065.00	4.23%	
8/1/2022	8/9/2022	55,000.00	194162AM5	COLGATE-PALMOLIVE CO CORPORATE NOTES	3.10%	8/15/2025	54,949.40	3.13%	
8/2/2022	8/9/2022	300,000.00	254683CW3	DCENT 2022-A3 A3	3.56%	7/15/2027	299,962.77	3.56%	
8/4/2022	8/9/2022	250,000.00	3137BN6G4	FHMS K053 A2	2.99%	12/1/2025	247,285.53	3.36%	
8/5/2022	8/8/2022	1,200,000.00	91282CEY3	US TREASURY N/B NOTES	3.00%	7/15/2025	1,197,800.96	3.14%	
8/5/2022	8/9/2022	500,000.00	3130APQ81	FEDERAL HOME LOAN BANK NOTES (CALLABLE)	1.00%	11/8/2024	475,471.80	3.40%	
8/8/2022	8/16/2022	105,000.00	89231CAD9	TAOT 2022-C A3	3.76%	4/15/2027	104,982.45	3.76%	
8/15/2022	8/22/2022	250,000.00	21688AAU6	COOPERAT RABOBANK UA/NY CORPORATE NOTES	3.87%	8/22/2024	249,885.00	3.90%	
8/17/2022	8/19/2022	375,000.00	22536AZR8	CREDIT AGRICOLE CIB NY CERT DEPOS	4.10%	8/16/2024	375,000.00	4.07%	
8/23/2022	8/25/2022	250,000.00	69353REQ7	PNC BANK NA CORP NOTE (CALLABLE)	3.25%	6/1/2025	247,560.83	3.92%	
8/31/2022	9/6/2022	224,625.81	3136ARTE8	FNA 2016-M3 A2	2.70%	2/1/2026	217,102.66	3.76%	

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY									
9/1/2022	9/6/2022	425,000.00	91282CEY3	US TREASURY N/B NOTES	3.00%	7/15/2025	420,544.29	3.55%	
9/6/2022	9/9/2022	225,000.00	931142EW9	WALMART INC CORPORATE NOTES	3.90%	9/9/2025	224,842.50	3.92%	
9/12/2022	9/19/2022	55,000.00	437076CR1	HOME DEPOT INC NOTES (CALLABLE)	4.00%	9/15/2025	54,980.20	4.01%	
9/20/2022	9/28/2022	235,000.00	65480JAC4	NAROT 2022-B A3	4.46%	5/17/2027	234,951.38	4.46%	
Total BUY		5,624,625.81					5,580,931.65		0.00
INTEREST									
6/25/2022	7/12/2022	135,000.00	05602RAD3	BMWOT 2022-A A3	3.21%	8/25/2026	445.39		
7/1/2022	7/1/2022		MONEY0002	MONEY MARKET FUND			130.08		
7/1/2022	7/25/2022	8,799.77	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/2024	15.34		
7/1/2022	7/25/2022	254,096.87	3137B1BS0	FHLMC MULTIFAMILY STRUCTURED P	2.51%	11/1/2022	531.49		
7/1/2022	7/25/2022	143,535.92	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	272.72		
7/1/2022	7/25/2022	7,461.36	3137FKK39	FHMS KP05 A	3.20%	7/1/2023	19.92		
7/1/2022	7/1/2022	200,000.00	87612EBD7	TARGET CORP CORPORATE NOTES	3.50%	7/1/2024	3,500.00		
7/10/2022	7/10/2022	220,000.00	24422EVY2	JOHN DEERE CAPITAL CORP CORPORATE NOTES	1.25%	1/10/2025	1,375.00		
7/10/2022	7/10/2022	1,785,000.00	3135G05G4	FANNIE MAE NOTES	0.25%	7/10/2023	2,231.25		
7/10/2022	7/10/2022	250,000.00	21688AAS1	COOPERATIEVE RABOBANK UA CORPORATE	1.37%	1/10/2025	1,699.65		
7/13/2022	7/13/2022	250,000.00	02665WEA5	AMERICAN HONDA FINANCE CORPORATE NOTES	1.50%	1/13/2025	1,875.00		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
7/15/2022	7/15/2022	115,000.00	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	36.42		
7/15/2022	7/15/2022	124,130.38	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	65.17		
7/15/2022	7/15/2022	134,246.70	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	49.22		
7/15/2022	7/15/2022	120,000.00	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	74.00		
7/15/2022	7/15/2022	1,170.85	14315EAC4	CARMAX AUTO OWNER TRUST	3.36%	9/15/2023	3.28		
7/15/2022	7/15/2022	9,208.23	31680YAD9	FIFTH THIRD AUTO TRUST	2.64%	12/15/2023	20.26		
7/15/2022	7/15/2022	93,860.81	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	147.83		
7/15/2022	7/15/2022	370,000.00	02582JJT8	AMXCA 2022-2 A	3.39%	5/17/2027	1,045.25		
7/15/2022	7/15/2022	3,669.02	41284WAC4	HDMOT 2019-A A3	2.34%	2/15/2024	7.15		
7/15/2022	7/15/2022	2,300,000.00	91282CBE0	US TREASURY NOTES	0.12%	1/15/2024	1,437.50		
7/15/2022	7/15/2022	250,000.00	14041NFZ9	COMET 2022-A1 A1	2.80%	3/15/2027	583.33		
7/15/2022	7/15/2022	122,746.24	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	49.10		
7/15/2022	7/15/2022	260,000.00	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	119.17		
7/15/2022	7/15/2022	14,046.13	14042WAC4	COPAR 2019-1 A3	2.51%	11/15/2023	29.38		
7/15/2022	7/15/2022	130,000.00	345286AC2	FORDO 2022-A A3	1.29%	6/15/2026	139.75		
7/15/2022	7/15/2022	1,676.41	02004WAC5	ALLYA 2019-1 A3	2.91%	9/15/2023	4.07		
7/15/2022	7/15/2022	155,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	74.92		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
7/15/2022	7/15/2022	305,000.00	14041NFY2	COMET 2021-A3 A3	1.04%	11/15/2026	264.33		
7/15/2022	7/15/2022	255,000.00	41284YAD8	HDMOT 2022-A A3	3.06%	2/15/2027	650.25		
7/15/2022	7/15/2022	190,000.00	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	128.25		
7/15/2022	7/15/2022	59,247.93	58769EAC2	MBALT 2020-B A3	0.40%	11/15/2023	19.75		
7/15/2022	7/15/2022	160,000.00	14044CAC6	COPAR 2021-1 A3	0.77%	9/15/2026	102.67		
7/15/2022	7/15/2022	145,000.00	89238FAD5	TAOT 2022-B A3	2.93%	9/15/2026	354.04		
7/15/2022	7/15/2022	125,000.00	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	54.17		
7/15/2022	7/15/2022	37,914.14	14316LAC7	CARMX 2019-2 A3	2.68%	3/15/2024	84.67		
7/15/2022	7/15/2022	245,000.00	02008JAC0	ALLYA 2022-1 A3	3.31%	11/15/2026	675.79		
7/15/2022	7/15/2022	140,000.00	448977AD0	HART 2022-A A3	2.22%	10/15/2026	259.00		
7/15/2022	7/15/2022	270,000.00	254683CS2	DCENT 2022-A2 A	3.32%	5/17/2027	747.00		
7/15/2022	7/15/2022	225,000.00	46625HMN7	JP MORGAN CHASE CORP NOTES (CALLABLE)	3.90%	7/15/2025	4,387.50		
7/15/2022	7/15/2022	190,000.00	14317HAC5	CARMX 2022-2 A3	3.49%	2/16/2027	552.58		
7/15/2022	7/15/2022	1,350,000.00	91282CCL3	US TREASURY N/B NOTES	0.37%	7/15/2024	2,531.25		
7/15/2022	7/15/2022	40,047.66	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/2024	62.41		
7/15/2022	7/15/2022	19,293.37	65479KAD2	NAROT 2019-A A3	2.90%	10/15/2023	46.63		
7/15/2022	7/15/2022	94,409.84	65479JAD5	NAROT 2019-C A3	1.93%	7/15/2024	151.84		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
7/16/2022	7/16/2022	125,000.00	362585AC5	GMCAR 2022-2 A3	3.10%	2/16/2027	322.92		
7/16/2022	7/16/2022	110,000.00	380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	115.50		
7/16/2022	7/16/2022	100,000.00	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	56.67		
7/16/2022	7/16/2022	151,540.35	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	56.83		
7/18/2022	7/18/2022	150,321.60	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	46.35		
7/20/2022	7/20/2022	100,000.00	92868AAC9	VWALT 2022-A A3	3.44%	7/21/2025	344.00		
7/20/2022	7/20/2022	310,000.00	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	121.42		
7/20/2022	7/20/2022	123,153.57	92348AAA3	VZOT 2019-C A1A	1.94%	4/22/2024	199.10		
7/20/2022	7/20/2022	62,680.66	362569AC9	GMALT 2020-3 A3	0.45%	8/21/2023	23.51		
7/20/2022	7/20/2022	210,000.00	380144AC9	GMALT 2021-2 A3	0.34%	5/20/2024	59.50		
7/20/2022	7/20/2022	76,291.67	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	117.62		
7/21/2022	7/21/2022	155,000.00	43815GAC3	HAROT 2021-4 A3	0.88%	1/21/2026	113.67		
7/23/2022	7/23/2022	85,000.00	6174468C6	MORGAN STANLEY CORP NOTES	4.00%	7/23/2025	1,700.00		
7/23/2022	7/23/2022	200,000.00	06051GHL6	BANK OF AMERICA (CALLABLE) CORP NOTES	3.86%	7/23/2024	3,864.00		
7/25/2022	7/25/2022	104,877.23	05591RAC8	BMWLT 2021-1 A3	0.29%	1/25/2024	25.35		
7/25/2022	7/25/2022	135,000.00	05602RAD3	BMWOT 2022-A A3	3.21%	8/25/2026	361.13		
7/25/2022	7/25/2022	71,451.22	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	28.58		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
7/26/2022	7/26/2022	83,000.00	110122CM8	BRISTOL MYERS SQUIBB CO CORP NOTES (CALL	2.90%	7/26/2024	1,203.50		
7/30/2022	7/30/2022	225,000.00	025816CG2	AMERICAN EXPRESS CO CORP NOTES (CALLABLE	2.50%	7/30/2024	2,812.50		
8/1/2022	8/1/2022		MONEY0002	MONEY MARKET FUND			228.92		
8/1/2022	8/1/2022	225,000.00	06051GFS3	BANK OF AMERICA CORP NOTES	3.87%	8/1/2025	4,359.38		
8/1/2022	8/25/2022	5,645.72	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/2024	9.84		
8/1/2022	8/25/2022	129,959.49	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	246.92		
8/1/2022	8/25/2022	253,109.68	3137B1BS0	FHLMC MULTIFAMILY STRUCTURED P	2.51%	11/1/2022	529.42		
8/1/2022	8/25/2022	7,440.17	3137FKK39	FHMS KP05 A	3.20%	7/1/2023	19.86		
8/5/2022	8/5/2022	175,000.00	74005PBN3	LINDE INC/CT (CALLABLE) CORPORATE NOTES	2.65%	2/5/2025	2,318.75		
8/6/2022	8/6/2022	110,000.00	857477BR3	STATE STREET CORP (CALLABLE) CORPORATE N	1.74%	2/6/2026	954.97		
8/7/2022	8/7/2022	175,000.00	63743HFC1	NATIONAL RURAL UTIL COOP CORPORATE NOTES	1.87%	2/7/2025	1,640.63		
8/9/2022	8/9/2022	145,000.00	69371RR40	PACCAR FINANCIAL CORP CORPORATE NOTES	0.50%	8/9/2024	362.50		
8/9/2022	8/9/2022	185,000.00	02665WDY4	AMERICAN HONDA FINANCE CORPORATE NOTES	0.75%	8/9/2024	693.75		
8/10/2022	8/10/2022	130,000.00	58933YAR6	MERCK & CO INC CORP NOTES	2.75%	2/10/2025	1,787.50		
8/12/2022	8/12/2022	100,000.00	904764BN6	UNILEVER CAPITAL CORP (CALLABLE) CORPORA	0.62%	8/12/2024	313.00		
8/13/2022	8/13/2022	200,000.00	89236TGT6	TOYOTA MOTOR CREDIT CORP CORP NOTES	1.80%	2/13/2025	1,800.00		
8/15/2022	8/15/2022	370,000.00	02582JJT8	AMXCA 2022-2 A	3.39%	5/17/2027	1,045.25		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
8/15/2022	8/15/2022	265,000.00	14318MAD1	CARMX 2022-3 A3	3.97%	4/15/2027	730.59		
8/15/2022	8/15/2022	34,031.50	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/2024	53.03		
8/15/2022	8/15/2022	130,000.00	345286AC2	FORDO 2022-A A3	1.29%	6/15/2026	139.75		
8/15/2022	8/15/2022	111,375.79	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	44.55		
8/15/2022	8/15/2022	255,000.00	41284YAD8	HDMOT 2022-A A3	3.06%	2/15/2027	650.25		
8/15/2022	8/15/2022	115,000.00	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	36.42		
8/15/2022	8/15/2022	1,834.30	31680YAD9	FIFTH THIRD AUTO TRUST	2.64%	12/15/2023	4.04		
8/15/2022	8/15/2022	10,331.56	65479KAD2	NAROT 2019-A A3	2.90%	10/15/2023	24.97		
8/15/2022	8/15/2022	82,542.55	65479JAD5	NAROT 2019-C A3	1.93%	7/15/2024	132.76		
8/15/2022	8/15/2022	1,575,000.00	91282CCT6	US TREASURY N/B NOTES	0.37%	8/15/2024	2,953.13		
8/15/2022	8/15/2022	160,000.00	14044CAC6	COPAR 2021-1 A3	0.77%	9/15/2026	102.67		
8/15/2022	8/15/2022	115,481.35	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	60.63		
8/15/2022	8/15/2022	7,808.42	14042WAC4	COPAR 2019-1 A3	2.51%	11/15/2023	16.33		
8/15/2022	8/15/2022	260,000.00	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	119.17		
8/15/2022	8/15/2022	145,000.00	89238FAD5	TAOT 2022-B A3	2.93%	9/15/2026	354.04		
8/15/2022	8/15/2022	190,000.00	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	128.25		
8/15/2022	8/15/2022	245,000.00	02008JAC0	ALLYA 2022-1 A3	3.31%	11/15/2026	675.79		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
8/15/2022	8/15/2022	123,325.26	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	45.22		
8/15/2022	8/15/2022	155,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	74.92		
8/15/2022	8/15/2022	120,000.00	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	74.00		
8/15/2022	8/15/2022	250,000.00	14041NFZ9	COMET 2022-A1 A1	2.80%	3/15/2027	583.33		
8/15/2022	8/15/2022	52,184.35	58769EAC2	MBALT 2020-B A3	0.40%	11/15/2023	17.39		
8/15/2022	8/15/2022	190,000.00	14317HAC5	CARMX 2022-2 A3	3.49%	2/16/2027	552.58		
8/15/2022	8/15/2022	335,000.00	14041NGA3	COMET 2022-A2 A	3.49%	5/15/2027	1,981.06		
8/15/2022	8/15/2022	30,161.92	14316LAC7	CARMX 2019-2 A3	2.68%	3/15/2024	67.36		
8/15/2022	8/15/2022	86,021.04	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	135.48		
8/15/2022	8/15/2022	1,600,000.00	91282CBM2	US TREASURY NOTES	0.12%	2/15/2024	1,000.00		
8/15/2022	8/15/2022	305,000.00	14041NFY2	COMET 2021-A3 A3	1.04%	11/15/2026	264.33		
8/15/2022	8/15/2022	270,000.00	254683CS2	DCENT 2022-A2 A	3.32%	5/17/2027	747.00		
8/15/2022	8/15/2022	125,000.00	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	54.17		
8/15/2022	8/15/2022	140,000.00	448977AD0	HART 2022-A A3	2.22%	10/15/2026	259.00		
8/16/2022	8/16/2022	141,166.91	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	52.94		
8/16/2022	8/16/2022	170,000.00	46647PBY1	JPMORGAN CHASE & CO CORP NOTES (CALLABLE	0.56%	2/16/2025	478.55		
8/16/2022	8/16/2022	110,000.00	380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	115.50		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
8/16/2022	8/16/2022	125,000.00	362585AC5	GMCAR 2022-2 A3	3.10%	2/16/2027	322.92		
8/16/2022	8/16/2022	155,000.00	36265WAD5	GMCAR 2022-3 A3	3.64%	4/16/2027	517.19		
8/16/2022	8/16/2022	100,000.00	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	56.67		
8/18/2022	8/18/2022	290,000.00	61747YEM3	MORGAN STANLEY CORP NOTES (CALLABLE)	2.63%	2/18/2026	3,813.50		
8/18/2022	8/18/2022	139,586.23	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	43.04		
8/20/2022	8/20/2022	100,000.00	92868AAC9	VWALT 2022-A A3	3.44%	7/21/2025	286.67		
8/20/2022	8/20/2022	310,000.00	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	121.42		
8/20/2022	8/20/2022	101,460.48	92348AAA3	VZOT 2019-C A1A	1.94%	4/22/2024	164.03		
8/20/2022	8/20/2022	66,198.50	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	102.06		
8/20/2022	8/20/2022	47,044.17	362569AC9	GMALT 2020-3 A3	0.45%	8/21/2023	17.64		
8/20/2022	8/20/2022	210,000.00	380144AC9	GMALT 2021-2 A3	0.34%	5/20/2024	59.50		
8/21/2022	8/21/2022	155,000.00	43815GAC3	HAROT 2021-4 A3	0.88%	1/21/2026	113.67		
8/24/2022	8/24/2022	1,075,000.00	3137EAEV7	FREDDIE MAC NOTES	0.25%	8/24/2023	1,343.75		
8/25/2022	8/25/2022	135,000.00	05602RAD3	BMWOT 2022-A A3	3.21%	8/25/2026	361.13		
8/25/2022	8/25/2022	93,128.73	05591RAC8	BMWLT 2021-1 A3	0.29%	1/25/2024	22.51		
8/25/2022	8/25/2022	64,662.36	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	25.86		
9/1/2022	9/1/2022		MONEY002	MONEY MARKET FUND			193.13		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
9/1/2022	9/25/2022	197,234.06	3137B1BS0	FHLMC MULTIFAMILY STRUCTURED P	2.51%	11/1/2022	412.55		
9/1/2022	9/25/2022	1,322.53	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/2024	2.31		
9/1/2022	9/25/2022	106,429.77	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	202.22		
9/1/2022	9/25/2022	250,000.00	3137BN6G4	FHMS K053 A2	2.99%	12/1/2025	623.96		
9/1/2022	9/25/2022	7,420.15	3137FKK39	FHMS KP05 A	3.20%	7/1/2023	19.81		
9/3/2022	9/3/2022	150,000.00	38141GVM3	GOLDMAN SACHS CORP NOTES	4.00%	3/3/2024	3,000.00		
9/4/2022	9/4/2022	150,000.00	025816CQ0	AMERICAN EXPRESS CO CORP NOTES (CALLABLE)	2.25%	3/4/2025	1,687.50		
9/6/2022	9/6/2022	130,000.00	30231GAF9	EXXON MOBIL CORP CORPORATE NT (CALLABLE)	2.70%	3/6/2025	1,760.85		
9/7/2022	9/7/2022	75,000.00	24422EWB1	JOHN DEERE CAPITAL CORP CORPORATE NOTES	2.12%	3/7/2025	796.88		
9/8/2022	9/8/2022	1,825,000.00	3137EAEW5	FREDDIE MAC NOTES	0.25%	9/8/2023	2,281.25		
9/10/2022	9/10/2022	150,000.00	38141GYE8	GOLDMAN SACHS GROUP INC (CALLABLE) CORP	0.65%	9/10/2024	492.75		
9/13/2022	9/13/2022	200,000.00	89236TJN6	TOYOTA MOTOR CREDIT CORP CORPORATE NOTES	0.62%	9/13/2024	625.00		
9/15/2022	9/15/2022	335,000.00	14041NGA3	COMET 2022-A2 A	3.49%	5/15/2027	974.29		
9/15/2022	9/15/2022	190,000.00	14317HAC5	CARMX 2022-2 A3	3.49%	2/16/2027	552.58		
9/15/2022	9/15/2022	260,000.00	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	119.17		
9/15/2022	9/15/2022	245,000.00	02008JAC0	ALLYA 2022-1 A3	3.31%	11/15/2026	675.79		
9/15/2022	9/15/2022	112,938.92	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	41.41		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
9/15/2022	9/15/2022	45,554.69	58769EAC2	MBALT 2020-B A3	0.40%	11/15/2023	15.18		
9/15/2022	9/15/2022	107,726.42	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	56.56		
9/15/2022	9/15/2022	120,000.00	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	74.00		
9/15/2022	9/15/2022	370,000.00	02582JJT8	AMXCA 2022-2 A	3.39%	5/17/2027	1,045.25		
9/15/2022	9/15/2022	270,000.00	254683CS2	DCENT 2022-A2 A	3.32%	5/17/2027	747.00		
9/15/2022	9/15/2022	130,000.00	345286AC2	FORDO 2022-A A3	1.29%	6/15/2026	139.75		
9/15/2022	9/15/2022	190,000.00	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	128.25		
9/15/2022	9/15/2022	140,000.00	448977AD0	HART 2022-A A3	2.22%	10/15/2026	259.00		
9/15/2022	9/15/2022	100,600.88	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	40.24		
9/15/2022	9/15/2022	115,000.00	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	36.42		
9/15/2022	9/15/2022	300,000.00	254683CW3	DCENT 2022-A3 A3	3.56%	7/15/2027	1,068.00		
9/15/2022	9/15/2022	160,000.00	14044CAC6	COPAR 2021-1 A3	0.77%	9/15/2026	102.67		
9/15/2022	9/15/2022	155,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	74.92		
9/15/2022	9/15/2022	2,103.23	14042WAC4	COPAR 2019-1 A3	2.51%	11/15/2023	4.40		
9/15/2022	9/15/2022	78,462.59	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	123.58		
9/15/2022	9/15/2022	105,000.00	89231CAD9	TAOT 2022-C A3	3.76%	4/15/2027	318.03		
9/15/2022	9/15/2022	72,039.93	65479JAD5	NAROT 2019-C A3	1.93%	7/15/2024	115.86		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
9/15/2022	9/15/2022	22,648.40	14316LAC7	CARMX 2019-2 A3	2.68%	3/15/2024	50.58		
9/15/2022	9/15/2022	305,000.00	14041NFY2	COMET 2021-A3 A3	1.04%	11/15/2026	264.33		
9/15/2022	9/15/2022	28,378.34	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/2024	44.22		
9/15/2022	9/15/2022	250,000.00	14041NFZ9	COMET 2022-A1 A1	2.80%	3/15/2027	583.33		
9/15/2022	9/15/2022	125,000.00	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	54.17		
9/15/2022	9/15/2022	1,000,000.00	91282CCX7	US TREASURY N/B NOTES	0.37%	9/15/2024	1,875.00		
9/15/2022	9/15/2022	165,000.00	002824BB5	ABBOTT LABORATORIES CORP NOTE (CALLABLE)	2.95%	3/15/2025	2,433.75		
9/15/2022	9/15/2022	145,000.00	89238FAD5	TAOT 2022-B A3	2.93%	9/15/2026	354.04		
9/15/2022	9/15/2022	1,867.09	65479KAD2	NAROT 2019-A A3	2.90%	10/15/2023	4.51		
9/15/2022	9/15/2022	265,000.00	14318MAD1	CARMX 2022-3 A3	3.97%	4/15/2027	876.71		
9/15/2022	9/15/2022	255,000.00	41284YAD8	HDMOT 2022-A A3	3.06%	2/15/2027	650.25		
9/16/2022	9/16/2022	110,000.00	380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	115.50		
9/16/2022	9/16/2022	100,000.00	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	56.67		
9/16/2022	9/16/2022	125,000.00	362585AC5	GMCAR 2022-2 A3	3.10%	2/16/2027	322.92		
9/16/2022	9/16/2022	131,745.67	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	49.40		
9/16/2022	9/16/2022	155,000.00	36265WAD5	GMCAR 2022-3 A3	3.64%	4/16/2027	470.17		
9/18/2022	9/18/2022	175,000.00	808513BN4	CHARLES SCHWAB CORP NOTES (CALLABLE)	0.75%	3/18/2024	656.25		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
9/18/2022	9/18/2022	129,054.22	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	39.79		
9/20/2022	9/20/2022	80,963.07	92348AAA3	VZOT 2019-C A1A	1.94%	4/22/2024	130.89		
9/20/2022	9/20/2022	32,934.33	362569AC9	GMALT 2020-3 A3	0.45%	8/21/2023	12.35		
9/20/2022	9/20/2022	210,000.00	380144AC9	GMALT 2021-2 A3	0.34%	5/20/2024	59.50		
9/20/2022	9/20/2022	310,000.00	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	121.42		
9/20/2022	9/20/2022	56,494.11	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	87.10		
9/20/2022	9/20/2022	100,000.00	92868AAC9	VWALT 2022-A A3	3.44%	7/21/2025	286.67		
9/21/2022	9/21/2022	155,000.00	43815GAC3	HAROT 2021-4 A3	0.88%	1/21/2026	113.67		
9/22/2022	9/22/2022	125,000.00	904764BB2	UNILEVER CAPITAL CORP NOTES (CALLABLE)	3.37%	3/22/2025	2,109.38		
9/23/2022	9/23/2022	535,000.00	4581X0DZ8	INTER-AMERICAN DEVEL BK NOTES	0.50%	9/23/2024	1,337.50		
9/25/2022	9/25/2022	82,090.20	05591RAC8	BMWLT 2021-1 A3	0.29%	1/25/2024	19.84		
9/25/2022	9/25/2022	58,381.63	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	23.35		
9/25/2022	9/25/2022	135,000.00	05602RAD3	BMWOT 2022-A A3	3.21%	8/25/2026	361.13		
9/30/2022	9/30/2022	925,000.00	91282CDA6	US TREASURY NOTES	0.25%	9/30/2023	1,156.25		
9/30/2022	9/30/2022	255,000.00	857477BM4	STATE STREET CORP NOTES (CALLABLE)	2.90%	3/30/2026	3,698.78		
Total INTEREST		40,568,768.64					112,267.35		0.00

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
MATURITY									
7/1/2022	7/1/2022	45,327.54	3137AVXN2	FHLMC MULTIFAMILY STRUCTURED P	2.35%	7/1/2022	45,416.50		
Total MATURITY		45,327.54					45,416.50		0.00
PAYDOWNS									
7/1/2022	7/25/2022	5,865.02	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	5,865.02		
7/1/2022	7/25/2022	987.19	3137B1BS0	FHLMC MULTIFAMILY STRUCTURED P	2.51%	11/1/2022	987.19		
7/1/2022	7/25/2022	21.19	3137FKK39	FHMS KP05 A	3.20%	7/1/2023	21.19		
7/1/2022	7/25/2022	7,711.41	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	7,711.41		
7/1/2022	7/25/2022	3,154.05	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/2024	3,154.05		
7/15/2022	7/15/2022	7,373.93	31680YAD9	FIFTH THIRD AUTO TRUST	2.64%	12/15/2023	7,373.93		
7/15/2022	7/15/2022	1,170.85	14315EAC4	CARMAX AUTO OWNER TRUST	3.36%	9/15/2023	1,170.85		
7/15/2022	7/15/2022	8,649.03	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	8,649.03		
7/15/2022	7/15/2022	7,752.22	14316LAC7	CARMX 2019-2 A3	2.68%	3/15/2024	7,752.22		
7/15/2022	7/15/2022	1,676.41	02004WAC5	ALLYA 2019-1 A3	2.91%	9/15/2023	1,676.41		
7/15/2022	7/15/2022	7,063.58	58769EAC2	MBALT 2020-B A3	0.40%	11/15/2023	7,063.58		
7/15/2022	7/15/2022	6,016.16	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/2024	6,016.16		
7/15/2022	7/15/2022	10,921.44	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	10,921.44		
7/15/2022	7/15/2022	3,669.02	41284WAC4	HDMOT 2019-A A3	2.34%	2/15/2024	3,669.02		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
7/15/2022	7/15/2022	8,961.81	65479KAD2	NAROT 2019-A A3	2.90%	10/15/2023	8,961.81		
7/15/2022	7/15/2022	11,867.29	65479JAD5	NAROT 2019-C A3	1.93%	7/15/2024	11,867.29		
7/15/2022	7/15/2022	11,370.45	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	11,370.45		
7/15/2022	7/15/2022	6,237.71	14042WAC4	COPAR 2019-1 A3	2.51%	11/15/2023	6,237.71		
7/15/2022	7/15/2022	7,839.77	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	7,839.77		
7/16/2022	7/16/2022	10,373.44	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	10,373.44		
7/18/2022	7/18/2022	10,735.37	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	10,735.37		
7/20/2022	7/20/2022	10,093.17	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	10,093.17		
7/20/2022	7/20/2022	21,693.09	92348AAA3	VZOT 2019-C A1A	1.94%	4/22/2024	21,693.09		
7/20/2022	7/20/2022	15,636.49	362569AC9	GMALT 2020-3 A3	0.45%	8/21/2023	15,636.49		
7/25/2022	7/25/2022	11,748.50	05591RAC8	BMWLT 2021-1 A3	0.29%	1/25/2024	11,748.50		
7/25/2022	7/25/2022	6,788.86	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	6,788.86		
8/1/2022	8/25/2022	10,164.84	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	10,164.84		
8/1/2022	8/25/2022	55,875.62	3137B1BS0	FHLMC MULTIFAMILY STRUCTURED P	2.51%	11/1/2022	55,875.62		
8/1/2022	8/25/2022	4,323.19	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/2024	4,323.19		
8/1/2022	8/25/2022	13,364.88	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	13,364.88		
8/1/2022	8/25/2022	20.02	3137FKK39	FHMS KP05 A	3.20%	7/1/2023	20.02		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
8/15/2022	8/15/2022	10,774.91	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	10,774.91		
8/15/2022	8/15/2022	5,653.16	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/2024	5,653.16		
8/15/2022	8/15/2022	7,558.45	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	7,558.45		
8/15/2022	8/15/2022	8,464.47	65479KAD2	NAROT 2019-A A3	2.90%	10/15/2023	8,464.47		
8/15/2022	8/15/2022	1,834.30	31680YAD9	FIFTH THIRD AUTO TRUST	2.64%	12/15/2023	1,834.30		
8/15/2022	8/15/2022	5,705.19	14042WAC4	COPAR 2019-1 A3	2.51%	11/15/2023	5,705.19		
8/15/2022	8/15/2022	10,502.62	65479JAD5	NAROT 2019-C A3	1.93%	7/15/2024	10,502.62		
8/15/2022	8/15/2022	10,386.34	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	10,386.34		
8/15/2022	8/15/2022	6,629.66	58769EAC2	MBALT 2020-B A3	0.40%	11/15/2023	6,629.66		
8/15/2022	8/15/2022	7,513.52	14316LAC7	CARMX 2019-2 A3	2.68%	3/15/2024	7,513.52		
8/15/2022	8/15/2022	7,754.93	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	7,754.93		
8/16/2022	8/16/2022	9,421.24	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	9,421.24		
8/18/2022	8/18/2022	10,532.01	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	10,532.01		
8/20/2022	8/20/2022	20,497.41	92348AAA3	VZOT 2019-C A1A	1.94%	4/22/2024	20,497.41		
8/20/2022	8/20/2022	14,109.84	362569AC9	GMALT 2020-3 A3	0.45%	8/21/2023	14,109.84		
8/20/2022	8/20/2022	9,704.39	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	9,704.39		
8/25/2022	8/25/2022	11,038.53	05591RAC8	BMWLT 2021-1 A3	0.29%	1/25/2024	11,038.53		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
8/25/2022	8/25/2022	6,280.73	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	6,280.73		
9/1/2022	9/25/2022	15,587.56	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	15,587.56		
9/1/2022	9/25/2022	11,855.33	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	11,855.33		
9/1/2022	9/25/2022	25,980.13	3137B1BS0	FHLMC MULTIFAMILY STRUCTURED P	2.51%	11/1/2022	25,980.13		
9/1/2022	9/25/2022	20.13	3137FKK39	FHMS KP05 A	3.20%	7/1/2023	20.13		
9/1/2022	9/25/2022	85.81	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/2024	85.81		
9/15/2022	9/15/2022	10,794.99	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	10,794.99		
9/15/2022	9/15/2022	10,941.08	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	10,941.08		
9/15/2022	9/15/2022	5,434.21	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/2024	5,434.21		
9/15/2022	9/15/2022	11,065.09	65479JAD5	NAROT 2019-C A3	1.93%	7/15/2024	11,065.09		
9/15/2022	9/15/2022	7,124.61	14316LAC7	CARMX 2019-2 A3	2.68%	3/15/2024	7,124.61		
9/15/2022	9/15/2022	7,199.99	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	7,199.99		
9/15/2022	9/15/2022	2,103.23	14042WAC4	COPAR 2019-1 A3	2.51%	11/15/2023	2,103.23		
9/15/2022	9/15/2022	8,711.29	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	8,711.29		
9/15/2022	9/15/2022	1,867.09	65479KAD2	NAROT 2019-A A3	2.90%	10/15/2023	1,867.09		
9/15/2022	9/15/2022	7,601.42	58769EAC2	MBALT 2020-B A3	0.40%	11/15/2023	7,601.42		
9/16/2022	9/16/2022	9,963.86	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	9,963.86		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
9/18/2022	9/18/2022	10,351.75	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	10,351.75		
9/20/2022	9/20/2022	1.65	380144AC9	GMALT 2021-2 A3	0.34%	5/20/2024	1.65		
9/20/2022	9/20/2022	9,304.50	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	9,304.50		
9/20/2022	9/20/2022	14,655.12	362569AC9	GMALT 2020-3 A3	0.45%	8/21/2023	14,655.12		
9/20/2022	9/20/2022	19,199.35	92348AAA3	VZOT 2019-C A1A	1.94%	4/22/2024	19,199.35		
9/20/2022	9/20/2022	37,219.36	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	37,219.36		
9/25/2022	9/25/2022	6,307.71	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	6,307.71		
9/25/2022	9/25/2022	11,054.54	05591RAC8	BMWLT 2021-1 A3	0.29%	1/25/2024	11,054.54		
Total PAYDOWNS		697,917.50					697,917.50		0.00
SELL									
7/20/2022	7/26/2022	225,000.00	3137EAES4	FREDDIE MAC NOTES	0.25%	6/26/2023	219,034.88		-5,811.00
7/21/2022	7/25/2022	125,000.00	459200HU8	IBM CORP NOTES	3.62%	2/12/2024	127,101.65		-5,701.65
7/21/2022	7/27/2022	125,000.00	3137EAES4	FREDDIE MAC NOTES	0.25%	6/26/2023	121,663.16		-3,252.42
7/21/2022	7/25/2022	125,000.00	459200HU8	IBM CORP NOTES	3.62%	2/12/2024	127,101.65		-4,982.47
7/26/2022	7/28/2022	50,000.00	3137EAES4	FREDDIE MAC NOTES	0.25%	6/26/2023	48,709.11		-1,257.60
8/3/2022	8/8/2022	325,000.00	3137EAES4	FREDDIE MAC NOTES	0.25%	6/26/2023	316,820.29		-7,995.43
8/4/2022	8/8/2022	325,000.00	3137EAES4	FREDDIE MAC NOTES	0.25%	6/26/2023	316,911.29		-7,904.43

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
SELL									
8/4/2022	8/8/2022	275,000.00	69353RFL7	PNC BANK NA (CALLABLE) CORP NOTES	3.50%	6/8/2023	277,253.17		649.00
8/4/2022	8/8/2022	885,000.00	3135G05G4	FANNIE MAE NOTES	0.25%	7/10/2023	861,967.38		-22,620.84
8/5/2022	8/9/2022	250,000.00	3135G05G4	FANNIE MAE NOTES	0.25%	7/10/2023	243,097.85		-6,788.06
8/5/2022	8/9/2022	250,000.00	3135G05G4	FANNIE MAE NOTES	0.25%	7/10/2023	243,097.85		-6,922.50
8/16/2022	8/22/2022	250,000.00	3135G05G4	FANNIE MAE NOTES	0.25%	7/10/2023	243,582.92		-6,461.16
8/17/2022	8/19/2022	150,000.00	3135G05G4	FANNIE MAE NOTES	0.25%	7/10/2023	145,984.63		-4,038.54
8/17/2022	8/19/2022	225,000.00	91282CDA6	US TREASURY NOTES	0.25%	9/30/2023	217,851.47		-7,296.06
8/23/2022	8/25/2022	250,000.00	91282CDA6	US TREASURY NOTES	0.25%	9/30/2023	242,282.27		-7,893.03
8/31/2022	9/6/2022	75,000.00	91282CDA6	US TREASURY NOTES	0.25%	9/30/2023	72,573.64		-2,485.77
9/1/2022	9/6/2022	440,000.00	4581X0DM7	INTER-AMERICAN DEVEL BK NOTES	0.50%	5/24/2023	431,154.53		-9,434.23
9/7/2022	9/9/2022	175,000.00	3137EAEV7	FREDDIE MAC NOTES	0.25%	8/24/2023	169,446.23		-5,515.26
9/27/2022	9/28/2022	25,000.00	91282CDA6	US TREASURY NOTES	0.25%	9/30/2023	24,052.39		-971.59
Total SELL		4,550,000.00					4,449,686.36		-116,683.04

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.

Investment advisory services are provided by PFM Asset Management LLC ("PFMAM"), 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. The information contained is not an offer to purchase or sell any securities. Additional applicable regulatory information is available upon request.

PFMAM professionals have exercised reasonable professional care in the preparation of this performance report. Information in this report is obtained from sources external to PFMAM and is generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness or suitability. We rely on the client's custodian for security holdings and market values. Transaction dates reported by the custodian may differ from money manager statements. While efforts are made to ensure the data contained herein is accurate and complete, we disclaim all responsibility for any errors that may occur. References to particular issuers are for illustrative purposes only and are not intended to be recommendations or advice regarding such issuers. Fixed income manager and index characteristics are gathered from external sources. When average credit quality is not available, it is estimated by taking the market value weights of individual credit tiers on the portion of the strategy rated by a NRSRO.

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.

For more information regarding PFMAM's services or entities, please visit www.pfmam.com.

© 2022 PFM Asset Management LLC. Further distribution is not permitted without prior written consent.

Important Disclosures

- 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.

Draft Financial Commission 2022/2023 Work Plan

Goal	Projects	Assignments	Frequency	Target Date(s)	Status
Recurring Goals					
#1	Investment Performance	Review Investment Performance	Quarterly	Q4 – Aug 2022 Q1 – Nov 2022 Q2 – Feb 2023 Q3 – May 2023	Last reviewed Q4 (6/30) 2022 on 09/19/22
#2	Operating Budget	Quarterly Budget Review [suggest Midyear review and review of Recommended Budget]	Quarterly	Q1– Jan 2023 Q2 – Feb 2023 Q3 – May 2023 Q4 – Aug 2023	Last Reviewed 03/25/22
#3	Financial Communication	Review the new Financial System Plan. Finance Staff to provide FC with status updates. To analyze and create a financial dashboard for the City to provide additional oversight on Financial Resources.	Quarterly [suggest as needed]	Q2 – Jan 2023 Q3 – April 2023 Q4 – Aug 2022 Q1– Oct 2022	Last reviewed 03/25/22
#4	Annual Comprehensive Financial Report	Review draft ACFR	Annually	January 2023	Last reviewed 12/20/2021
#5	PERS Unfunded Liability	Evaluate PERS Unfunded Liability; re-evaluate prepay only or investment plan	Annually	March 2023	Last reviewed 09/20/2021
#6	Capital Improvement Budget	Review 5-Year CIP Budget	Annually	April /May 2023	Last reviewed 03/25/2022
#7	Community Center Debt (commenced 6/30/21, 2.29%)	Review if payoff feasible Full payoff: Yrs 1-5 a 102%, Yrs 6-10 at 101%, Yrs 11 on at 100% on any pmt date Partial payoff annually of no more than \$500,000 on any pmt date, applied to end of pmt schedule Both require 30 day notice	Annually	February 2023	New project
#8	Financial Policies	Review/update City's Financial Policy	Annually	Jan 2023	Purch Policy Last reviewed 11/15/2021 (updated 12/14/2021)
#9	Investment Policy	Review/update City's Investment Policy	Annually	January 2023	Last updated 01/24/2022
#10	Cross Commission Collaboration	Finance Commission responds to requests from other commissions	Ad hoc	As needed	N/A

Non-recurring Goals

#11	Park in Lieu Financing	Analyzing Park in Lieu funds policy and providing Council with recommendations on use of funds on infrastructure.	Non-recurring	Feb/March 2023	Last reviewed 03/25/2022
-----	------------------------	---	---------------	----------------	--------------------------