

**POLICY #2130 Investment Policy**

EFFECTIVE DATE	5/25/2023	VERSION # 1.0
DATE OF LAST REVISION	4/1/2023	NEXT REVIEW DATE 4/1/2025

APPLIES TO

Division	Districtwide
Sub-Division	Finance Department

VERSION	REVISION DATE	DESCRIPTION OF CHANGE/SUPERSEDE	AUTHOR
1	4/1/2023	Initial	Angela Carpenter

RATIONALE

The State Legislature has declared the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern. Government Code Sections 53601, et seq., allow the legislative body of a local agency to invest surplus monies not required for the immediate necessities of the local agency; and,

- a. The treasurer or fiscal officer of a local agency is required to annually prepare and submit a statement of investment policy and such policy, and any changes thereto, is to be considered by the local agency’s legislative body at a public meeting (GC § 53646(a)). The statement shall also be annually presented to any oversight agency of the local agency.
- b. For these reasons and to ensure prudent and responsible management of the public’s funds, it is the policy of the District to invest funds in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all statutes governing the investment of District funds.

PROCEDURE

This investment policy applies to all financial assets of the District. These funds are accounted for in the annual audited financial statements of the District and include:

- Demand Accounts
- Investments
- General Fund
- Local Agency Investment Funds [others]
- Operation and Maintenance Funds
- Enterprise Funds [others]

PRUDENCE

The Board and people authorized to make investment decisions subject to these policies are fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a fiduciary shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of capital as well as the probable income to be derived.

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from policy or expectations are reported in the next issued quarterly treasury report, and appropriate actions are taken to control adverse developments. When a deviation poses a significant risk to the District's financial position, the fiscal officer shall notify the Board immediately.

OBJECTIVES

As specified in GC §53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the primary objectives of the investment activities, in priority order, shall be:

- a) Safety: Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the whole portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- b) Liquidity: The secondary objective shall be to meet the liquidity needs of the District.
- c) Yield: The third objective shall be to achieve a return on the funds under the District's control.

Authority: GC § 53600.6 and § 53630.1; and, GC Sections 53601, et seq

Angele Carpenter
Author (print and sign)

Angele Carpenter

7/5/2023
Date

2130



Annabel Grimm
General Manager



Date

Approved by the Board of Directors on: **May 25, 2023**