

## RESOLUTION 09-18

### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TWENTYNINE PALMS WATER DISTRICT PROVIDING FOR THE AUTHORITY OF GENERAL MANAGER TO DEPOSIT AND INVEST FUNDS OF SAID DISTRICT

**WHEREAS**, the Board of Directors of the Twentynine Palms Water District (hereinafter "District") believes that public funds should, so far as is reasonably possible, be invested in State of California Local Agency Investment Funds, or deposited in financial institutions or liquid money market accounts to the extent authorized by the California Government Code, produce revenue for the District rather than to remain idle; and

**WHEREAS**, it is impractical for the Board of Directors of the District to take individual action authorizing the investment of such funds in permissible investments under Section 53601 of the California Government Code when funds are available and not needed for varying periods of time, and the Board of Directors of the District does find and determine that the General Manager of the District should be authorized to invest such funds in accordance with the provisions of Section 53635 of the California Government Code.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Twentynine Palms Water District that the General Manager of the District is hereby authorized to deposit for safekeeping, as far as possible, all money belonging to, or in the custody of the District, pursuant to Section 53635 et seq. of the California Government Code and within the limitations set forth in "Addendum A" "Statement of Investment Policy" attached hereto as part of this resolution.

**PASSED, APPROVED AND ADOPTED** this 22nd day of July 2009 by the following vote:

Ayes: Directors Anthony, Cisneros, Gallagher, Moore and Yockey  
Noes: None

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Philip C. Cisneros, President  
Board of Directors

Attest:

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Mike Wright, Board Secretary  
Twentynine Palms Water District

**ADDENDUM "A" TO RESOLUTION 09-18  
STATEMENT OF INVESTMENT POLICY**

**INVESTMENT CRITERIA**

**Safety**

It is the primary duty and responsibility to protect, preserve and maintain intact cash and investments placed in trust with the General Manager on behalf of the customers and citizens of the District.

**Liquidity**

An adequate percentage of the portfolio should be maintained in liquid short-term securities which can be converted to cash if necessary to meet disbursement requirements.

**Yield**

Yield becomes a consideration only after the basic requirements of safety and liquidity have been met.

**Legal Investment Authority**

Invest temporarily idle moneys in accordance with state or local statutes, and regulations. (Refer to California Government Code Section 53600 et seq.)

**Statement of Investment Policy**

The General Manager shall render to the Board of Directors an annual "Statement of Investment Policy." (Refer to California Government Code Section 53646.)

**Monthly Report**

The General Manager shall file a monthly report, which states its relationship to the Statement of Investment Policy, with the Board of Directors. (Refer to California Government Code Section 53646.)

**INVESTMENT GUIDELINES**

**Investment Transactions**

Every investment transaction must be authorized, documented and reviewed by the General Manager and reported to the Board of Directors monthly.

**Cash Forecast**

The cash flow for the District should be analyzed with the receipt of revenues and maturity of investments scheduled so that adequate cash will be available to meet disbursement requirements.

**Investment Limitations**

Security purchases and holdings shall be maintained within the statutory limits imposed by the California Government Code. All investments, except those restricted funds on

deposit with fiscal agents for specific purposes, shall be deposited with the Local Agency Investment Fund (LAIF); and/or invested in United States Treasury Bills/Notes, AAA rated interest bearing instruments issued by Agencies of the United States with the exception of those invested by LAIF which may have less than a AAA rating, and/or interest bearing liquid money market accounts that are in accordance with the provisions of California Government Code Section 53600 et seq. Restricted funds on deposit with fiscal agents shall be invested by the fiscal agent for the District in either LAIF or liquid money market accounts in accordance with the California Government Code.

### **Liquidity**

The marketability (salability) of a security should be considered at the time of purchase, as the security may have to be sold at a later date to meet unanticipated cash demand.

### **Investment Restrictions**

All investments other than those listed in "Investment Limitations" above, must have prior Board approval.

### **Evaluate Amounts on Deposit with Banking Institutions**

All cash on deposit shall be evaluated in terms of FDIC and FSLIC coverage. For deposits in excess of the FDIC insured maximum, approved collateral at not less than full market value shall be required in accordance with the California Government Code.