SERIES 2000 – FINANCIAL

Policy 2010 Investment

The Investment Policy of the District is reviewed by staff on a continual basis and submitted annually (with suggested changes, if appropriate) to the Board of Directors for approval.

General Investment Policy Statement

This policy statement is intended to provide guidelines for the prudent investment of the District's cash for which no immediate need is anticipated. The District has chosen to abide by a uniformly conservative policy in the investment of temporarily idle funds.

The District follows the "prudent person rule" outlined in the Civil Code, §2261, et seq., which states in essence that in investing, a trustee shall exercise the judgment and care, under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs. The District is further restricted by provisions of the Government Code, §53600, et seq.

The District considers investments based on, in order of importance, safety, liquidity and yield when choosing investment options. The District attempts to obtain the highest yield obtainable, as long as investments meet the criteria established for safety and liquidity. The District only operates in those investments that are considered safe. Liquidity of funds is considered in terms of expected and unexpected need for the funds based on known encumbrances and historical experience. As a minimum the District shall maintain reserve balances consistent with the District's current Financial Reserves Policy.

Local Agency Investment Fund

The Local Agency Investment Fund (LAIF) has established a maximum limit of seventy-five million dollars in investments from any singular local agency. The District maintains a balance ranging from $20,000 to $10,000,000 with LAIF. There is no set maturity date of these investments. They may be withdrawn at any time without penalty. The LAIF interest rates should be reviewed along with U.S. Treasury Bills (T-Bills) and Certificates of Deposit (CD's) issued by local banks or savings associations when determining best investment strategies.

California Cooperative Liquid Assets Securities System (Cal CLASS)

The District periodically will deposit monies into the Cal CLASS investment pool. There is no set maturity date of these investments. They may be withdrawn at any time without penalty. The interest rates should be reviewed along with U.S. Treasury Bills (T-Bills) and Certificates of Deposit (CD's) issued by local banks or savings associations when determining best investment strategies.

U.S. Treasury Bills

The District generally does not maintain or intend to maintain a balance in U.S. Treasury Bills for which the faith and credit of the United States are pledged for the payment of principal and interest due to lack of a full-time person to control these investments.

Certificates of Deposit
The District may enter into any contract with a depository relating to any deposit which in the Treasurer's judgment is to the public advantage with certain restrictions.

It is the District's policy not to restrict idle funds in excess of thirty percent (30%) of the total of the District's temporarily idle funds.

Any deposit to a savings association or bank shall not exceed a level of such that is insured or secured as required by law.

A depository and the agent of the depository are responsible for securing monies with eligible securities in securities pools which have a market value of at least ten percent (10%) in excess of the total amount of all deposits of a depository if the securities are promissory notes secured by first mortgages and first trust deeds. The District requires certification by the depository and the agent of the depository that there are securities in the pool in the amounts required to secure all deposits.

Securities must comply with §53651.2 of the Government Code, which defines eligible security.

Placer County Tax Collector
Property taxes are collected by Placer County and held until requested by the District. These funds are invested according to the Placer County Treasurer's Investment Policy.

115 Trusts
The District supports a diversified strategic asset allocation which allows for higher earning potential than the County funds. As such, the District may invest in 115 trusts as a prefunding tool which is to be used solely for pension or other post-employment benefit obligations. It is the District's policy not to restrict idle funds in excess of thirty percent (30%) of the total of the District's temporary idle funds.

The District's objective is to protect principal. Exposing investments to undue risk is to be avoided; however, the assumption of an appropriate level of risk, commensurate with the yield objective, is warranted in pursuit of long-term investment goals. District staff and the Board further recognize that financial assets fluctuate in value and that near-term results can diverge from stated long-term goals. The General Manager and Chief Financial Officer (CFO) will seek to minimize risk through diversification. The General Manager or CFO will advise the Board from time to time on the reasonableness of their objectives in light of capital market conditions.

See specific Pension and OPEB funding polices for further information.

Inter-District Loans
Loans between District departments and accounts may be approved by the Board of Directors. Such loans would provide funds to the borrower at an interest rate equal to or better than the rate available from the depository from which the funds are withdrawn.

(Adopted 05-25-89; Reviewed 04-19-90, Reviewed 07-30-92; Revised 01-25-95; Reviewed 02-29-96 Reviewed 02-27-97; Reviewed 01-29-98; Reviewed 01-28-99; Revised 01-27-00; Reviewed 01-23-01; Revised 01-24-02; Reviewed 01-28-03; Reviewed 01-27-04; Reviewed 01-31-06; Revised 01-30-07; 12-23-09; Reviewed 01-25-11; Reviewed 1-31-12; Revised 05-30-13; Reviewed 05-27-14, Reviewed 05-26-15, Revised 3-29-16, Revised 1-31-17, Revised 2-27-18, Reviewed 05-28-19, Revised 5-26-20, Revised 5-25-21, Revised 02-22-22, Revised 5-30-23, Reviewed 10-31-23, Reviewed 01-28-25, Reviewed 09-30-25, Reviewed 10-29-2026)