

**TRUCKEE SANITARY DISTRICT
BOARD OF DIRECTORS
RESOLUTION NO. 2024-106**

A RESOLUTION ADOPTING DISTRICT'S INVESTMENT POLICY

WHEREAS, The State of California requires the Truckee Sanitary District to establish a policy for investment of funds of the District authorized by California Government Code Sections 53601 et seq. and 53635 et seq.; and

WHEREAS, The District's primary investment policy objective is to maintain liquidity, minimize risk and achieve a reasonable rate of return; and

WHEREAS, the State of California requires that the investment policy be written and reviewed annually by the District, and

WHEREAS, investment earnings report will be provided to the Board of Directors at least quarterly; and

WHEREAS, the District last adopted an Investment Policy on August 18, 2022;

NOW, THEREFORE, BE IT RESOLVED BY THE TRUCKEE SANITARY DISTRICT BOARD OF DIRECTORS AS FOLLOWS:

1. That the investment policy stipulates the Truckee Sanitary District is to achieve reasonable interest return while minimizing risk of principal based on available cash as dictated by District cash flow requirements, and
2. That the investment activity of the Truckee Sanitary District shall be within the approved instruments contained in the TSD Investment Policy (Exhibit A) dated May 16, 2024, superseding the Investment Policy dated August 18, 2022.

PASSED AND ADOPTED at a Regular Meeting of the Board of Directors of the Truckee Sanitary District duly called and held in said District on the 16th day of May 2024, by the following roll call vote:

AYES: Anderson, Gilmore, Hansford, Smart, Waters
NOES: None
ABSENT: None
ABSTAIN: None


Marcus Waters, DC,
President of the Board of Directors

ATTEST:


Blake R. Tresan,
Board Secretary



EXHIBIT A

TSD INVESTMENT POLICY

May 16, 2024

This policy statement is intended to provide guidelines for the prudent investment of Truckee Sanitary District (TSD) cash for which no immediate need is anticipated. TSD has chosen to abide by a uniformly conservative policy in the investment of reserve and temporarily idle funds. TSD is further restricted by provisions of Government Code Sections 53600 et seq. and 53635 et seq.

The primary investment policy objectives, in priority order, of investment activities will be safety, liquidity, and yield:

1. **Safety.** Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio. Each investment transaction will be entered into with consideration for the quality of the issuer and of the underlying security and collateral.
2. **Liquidity.** The investment portfolio will remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Liquidity will be accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands whenever feasible.
3. **Yield.** The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.

TSD can participate in the following investment pools:

A. Local Agency Investment Fund ("LAIF")

TSD may maintain a balance of up to the limit established by the Local Agency Investment Fund (LAIF). There is no set maturity date for these investments. LAIF funds are pooled and invested in varying instruments. The interest rate, therefore, varies and is earned according to the rate of return of the investment portfolio. TSD funds may be withdrawn at any time without penalty. The LAIF interest rate varies in comparison with the rate obtainable through investments in U.S. Treasury Bills (TBills) or U.S. Treasury Notes (Notes) and other investment options.

B. California Cooperative Liquid Asset Securities System ("CalClass")

TSD may maintain a balance of up to the limit established by the CalClass. There is no set maturity date for these investments. CalClass funds are pooled and invested in varying instruments. The interest rate, therefore, varies and is earned according to the rate of return of the investment portfolio. TSD funds may be withdrawn at any time without penalty. The CalClass interest rate varies in comparison with the rate obtainable through investments in U.S. Treasury Bills (TBills) or U.S. Treasury Notes (Notes) and other investment options.

C. County Treasurer Investment Pool (Placer and/or Nevada)

TSD may deposit funds in the Placer and/or Nevada County Treasurer Investment Pools. There is no set maturity date for these investments. Investment fund monies are pooled and

invested in varying instruments. The interest rate paid, therefore, varies according to the rate of return of the investment portfolio. TSD funds may be withdrawn without penalty.

D. Investment Trust of California (CalTRUST)

TSD may invest funds in one or more of the pooled funds offered through the Investment Trust of California (doing business as CalTRUST), a joint powers authority created pursuant to the provisions of California Government Code Section 6509.7. Funds invested in the CalTRUST funds are pooled with funds of other local agencies and invested in varying instruments authorized for local agency investment under provisions of California Government Code Sections 53601 et seq. and 53635 et seq. Interest paid on the investment varies according to the rate of return of the overall investment portfolio of each of the funds. There is no set maturity date for these investments, and funds may be withdrawn without penalty.

E. California Employers' Retiree Benefit Trust (CERBT)

TSD may invest funds in the pooled funds offered through CalPERS California Employers' Retiree Benefit Trust (CERBT). CERBT is an IRS Section 115 Trust and funds invested in CERBT and investment earnings thereon are irrevocably dedicated towards the payment of TSD's retiree health benefit costs (aka Other Post Employment Benefits or OPEB).. TSD participation in CERBT was approved by the TSD Board on June 19, 2008. TSD has currently selected the "Strategy 1" asset allocation strategy for CERBT. "Strategy 1" is the more aggressive of two investment allocation strategies provided by CalPERS for CERBT. While the TSD Board has approved of a Delegation of Authority for TSD staff to conduct contributions to and distributions from the TSD CERBT account, the TSD Board must provide approval before any contributions to and distributions from the TSD CERBT account are made by District staff.

F. California Employers' Pension Prefunding Trust (CEPPT)

TSD may invest funds in the pooled funds offered through CalPERS California Employers' Pension Prefunding Trust (CEPPT). CEPPT is an IRS Section 115 Trust and funds invested in CEPPT and investment earnings thereon are irrevocably dedicated towards the payment of TSD's pension costs. TSD participation in CEPPT was approved by the TSD Board on May 21, 2020 by Resolution 2020-107. TSD has currently selected the "Strategy 1" asset allocation strategy for CEPPT. "Strategy 1" is the more aggressive of two investment allocation strategies provided by CalPERS for CEPPT. While the TSD Board has approved of a Delegation of Authority for TSD staff to conduct contributions to and distributions from the TSD CEPPT account, the TSD Board must provide approval before any contributions to and distributions from the TSD CEPPT account are made by District staff.

TSD will maintain varying balances depending upon investment policy objectives, current interest rates, and other available investment options.

TSD may also purchase the following instruments:

- U.S. Treasury Bills and Notes: TSD may invest in U.S. Treasury Bills and Notes for which the full faith and credit of the United States are pledged for the payment of principal and interest. There are set maturity dates for these investments and a fixed rate of interest is paid.

The amount invested in Treasuries varies dependent upon how their yield compares with other available investment options. TSD elects to limit the amount invested in U.S. Treasury Bills and Notes to no more than \$15,000,000 and with maturities no greater than 5 years from date of acquisition.

- Certificates of Deposit: TSD may invest in a certificate of deposit with a Federal Deposit Insurance Corporation-insured bank or savings and loan association, which in the Treasurer's judgement is to the public advantage with certain restrictions as outlined in the above-referenced Government Code sections. It is TSD policy not to purchase time certificates of deposit issued by state-chartered banks or savings associations in excess of 30 percent of the total of TSD's temporarily idle funds.
- Savings Accounts: TSD may deposit money in a Federal Deposit Insurance Corporation-insured account in a bank or savings and loan association according to anticipated needs for the funds in the short term.

Other TSD Funding:

Intra-fund Loans: TSD may approve an intra-District fund loan and transfer with a fair rate of return from one fund to another as specifically authorized by resolution of the Board of Directors.

Other: Such other permitted investments as authorized by the Government Code and approved by the Board of Directors.

All investments must be consistent with the limitations and requirements of Government Code sections 53600 et seq. and 53635 et seq.

General Provisions

The Board authorizes the General Manager to operate the investment program consistent with the investment directions of the Board, this Policy, the Government Code, and established District procedures and internal controls for the operation of the investment program.

Adopted By the Board: _____

Dated: _____

Mamhatia

5/16/24