

YUBA COUNTY WATER AGENCY

STATEMENT OF INVESTMENT POLICY

Revised: November 16, 2021

1.0 Purpose

The purpose of this policy is to provide guidelines to Yuba County Water Agency (Yuba Water) officers and employees with regard to the deposit and investment of Yuba Water monies and funds in accordance with, and subject to the limitations of, applicable laws.

2.0 Policy

- a. Government Code section 53646 recommends that the Yuba Water may annually prepare and adopt a written statement of investment policy.
- b. Government Code sections 53600 et seq. and 53630 et seq. and other laws authorize Yuba Water to deposit and invest its money and funds in various institutions and types of investments, subject to limitations.
- c. This investment policy applies to all monies, funds, and financial assets of Yuba Water, including its general fund, all enterprise funds, all trust funds, and any and all capital project funds.

3.0 Standard of Care & Objectives

- a. Deposits and investments shall be made with the 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 their capital as well as the probable income to be derived. Yuba Water officers and employees handling deposits and investments of Yuba Water funds shall act pursuant to a "prudent investor" standard applied in the context of managing the entire portfolio. (See Govt. Code Section 53600.3)
- b. When depositing, investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing Yuba Water funds, the primary goals and objectives, in priority order, shall be:
 - i. Safety. To safeguard the principal of Yuba Water funds. Deposits and investments of Yuba Water funds, monies, and financial assets shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

- ii. Liquidity. To meet the liquidity needs of Yuba Water. Yuba Water's investment portfolio must remain sufficiently liquid to enable Yuba Water to meet all operating expenses and requirements which might be reasonably anticipated.
- iii. Return on Investment. To achieve a return on the investment of Yuba Water funds. As a final priority, Yuba Water's investment portfolio shall be designed with the objective of obtaining a fair market rate of return throughout budgetary and economic cycles and consistent with the first two priorities.

4.0 Delegation of Authority

Yuba Water delegates to the General Manager, or designee, principal management responsibility for the deposit and investment of Yuba Water monies, funds, and financial assets pursuant to this statement of investment policy. Yuba Water authorizes the General Manager, or designee to make deposit and investment decisions on behalf of Yuba Water pursuant and subject to this investment policy, applicable laws, and the prudent investor standard.

5.0 Authorized Investments

All Yuba Water funds and monies may be deposited and invested in one or any combination of the following institutions and investment types:

- a. Yuba County Treasury:
 - i. Investment pool, aggregated.
 - ii. Investment pool, given specific direction with respect to type/duration.
 - iii. U.S. Treasury obligations.
 - iv. Commercial Paper of prime quality that meets the criteria of the Government Code.
- b. Federal Deposit Insurance Corporation (FDIC) insured accounts in a bank or savings and loan association.
- c. Loans to local government agencies in Yuba County with a fair rate of return, which are specifically authorized and evidenced by a Yuba Water Board of Directors approved resolution or loan agreement.

6.0 Safekeeping and Custody

All Yuba Water deposits and investments shall have the Yuba County Water Agency named as depositor and registered owner. Any securities purchased or acquired shall be delivered to Yuba Water by book entry, physical delivery, or by third party custodial agreement as required by Government Code section 53601.

7.0 Annual Review and Quarterly Reporting

The Yuba Water General Manager on a quarterly basis may make available to the Board of Directors copies of the most recent account statements received by Yuba Water from the Yuba County Treasurer and other institutions holding Yuba Water

funds and financial assets which demonstrate the cash on hand with the respective institution. The Yuba Water General Manager on an annual basis may make available to the Yuba Water Board of Directors copies of the annual report from the Yuba County Treasurer demonstrating disbursement of interest earned and the fair market value adjustment of investments held. (Govt. Code: 53646(e)) The Yuba Water General Manager shall annually review this statement of investment policy and request the Yuba Water Board of Directors to either make appropriate changes or reaffirm the current policy. (Govt. Code, 53646(a))

8.0 Amendments

This statement of investment policy shall take effect only upon adoption by the Yuba Water Board of Directors. Any subsequent amendments or modifications shall not take effect unless expressly approved by the Yuba Water Board of Directors.

9.0 Policy Review

The Clerk of the Board shall ensure this policy is reviewed annually.

10.0 Responsible Department/Division

Administration - Finance

Date Adopted, Last Revised, and Next Review

Date	Version#	Description
January 15, 2019	001	Initial Release
November 16, 2021	002	Bi-Annual Review