



## SQUAW VALLEY PUBLIC SERVICE DISTRICT

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### DISTRICT STATEMENT OF INVESTMENT POLICY

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 man 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 men 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, with no risk to the principal, as long as investments meet the criteria established for safety and liquidity. The District only operates in those investments that are considered very safe (insured or secured as required by law). 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 two months of operating expenses and an emergency reserve of \$500,000 in liquid funds.

#### **Local Agency Investment Fund**

The Local Agency Investment Fund (LAIF) has established a maximum limit of sixty 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 They may be withdrawn at any time without penalty.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 rate has generally been slightly higher than investments in U. S. Treasury Bills (T-Bills) or time Certificates of Deposit (CD's) issued by local banks or savings associations.

#### **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 purchase time certificates of deposit issued by state-chartered banks or savings associations 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.

### **Capitalization and Depreciation Policies**

Capital projects or composite group purchases approved as part of the Capital Improvement Budget shall be capitalized at the end of the fiscal year that the project or purchase is completed and accepted by the District's Board of Directors as an asset to the District. It is the District's policy not to capitalize any project or purchase with a value of less than \$5,000 unless an individual purchase can be associated with a completed project or composite group of approved purchases. Depreciation shall be computed by the District's auditor during the District's annual audit.

### **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.

### **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 1-31-11; revised 05-30-13; reviewed 05-27-14, reviewed 05-26-15, revised 3-29-16)