

RESOLUTION NO. 24-1066

EXHIBIT A

INVESTMENT POLICY

8.01 The Board of Directors of the Joshua Basin Water District hereby adopt an Investment Policy as follows. Any surplus funds or funds held for any length of time for special projects shall only be invested in the following with reputable institutions.

8.01.01 Direct and general obligations (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America) of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidences of ownership of proportionate interests of such obligations. Investments in such proportionate interests must be limited to circumstances wherein;

- (a) a bank or trust company acts as custodian and holds the underlying United States obligations;
- (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations and is a corporation rated A or better by S&P Global, Inc. or the equivalent rating by another recognized rating agency; and
- (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated (the obligations described in this paragraph are referred to herein as "United States Obligations").

8.01.02 Obligations issued or guaranteed by the following instrumentalities or agencies of the United States of America:

- (a) Federal Home Loan Bank system;
- (b) Export-Import Bank of the United States;
- (c) Federal Financing Bank;
- (d) Government National Mortgage Association;
- (e) Farmers Home Administration;
- (f) Federal Home Loan Mortgage Company;
- (g) Federal Housing Administration;
- (h) Private Export Funding Corp;
- (i) Federal National Mortgage Association;
- (j) Federal Farm Credit Bank;
- (k) Maritime Administration; and
- (l) Public Housing Corporation.

8.01.03 Pre-refunded municipal obligations meeting the following conditions:

- (a)** the bonds are
 - (i) not to be redeemed prior to maturity or the applicable trustee has been given irrevocable instructions concerning their calling and redemption, and
 - (ii) the applicable issuer has covenanted not to redeem such bonds other than as set forth in such instructions;
- (b)** the bonds are secured by cash or United States Obligations that may be applied only to interest, principal, and premium payments of such bonds;
- (c)** the principal of and interest on the United States Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the bonds;
- (d)** The United States Obligations serving as security for the bonds are held by an escrow agent or trustee that has a combined capital and surplus of not less than \$50,000,000 and is either subject to supervision or examination by federal or state authority or that is rated A or better by S&P or the equivalent rating by another recognized rating agency;
- (e)** the United States Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and
- (f)** the municipal obligations are rated AAA by S&P or the equivalent rating by another recognized agency.

8.01.04 Direct and general long-term obligations of any state, to the payment of which the full faith and credit of the state is pledged and that are rated in any of the three highest rating categories by S&P or the equivalent rating by another recognized rating agency.

8.01.05 Direct and general short-term obligations of any state, to the payment of which the full faith and credit of the state is pledged and that are rated in any of the three highest rating categories by S&P or the equivalent rating by another recognized rating agency.

8.01.06 Interest-bearing demand or time deposits or interests in money market portfolios issued by state banks or trust companies or national banking associations that are members of the Federal Deposit Insurance Corporation (FDIC). These deposits or interests must be continuously and fully insured by FDIC and with banks that are rated at least A or better by S&P or the equivalent rating by another recognized rating agency.

8.01.07 Long-term and medium-term corporate debt guaranteed by any corporation that is rated by S&P or the equivalent rating by another recognized rating agency in its three highest rating categories.

8.01.08 Repurchase agreements, the maturities of which are 30 days or less, entered into with financial institutions such as banks or trust companies organized under state law or national banking associations, insurance companies or government bond dealers reporting to, trading with, and recognized as primary dealers by the Federal Reserve Bank of New York and members of the Security Investors Protection Corporation or with dealers or parent holding companies. The financial institutions, dealers, or parent holding companies must be rated at least A or better by S&P or the equivalent rating by another recognized rating agency. If it is a parent holding company that has the required S&P rating or the equivalent rating by another recognized rating agency, then the counterparty must have combined capital and surplus not less than \$50,000,000. If the counterparty is a parent holding company, then the agreement must be unconditionally guaranteed by a financial institution subsidiary with a combined capital and surplus not less than \$50,000,000. The repurchase agreement must be secured by United States Obligations. The United States Obligations must have a fair market value, exclusive of accrued interest, at least equal to the amount invested in the repurchase agreements. The Trustee (who shall not be the provider of the collateral) must have a perfected first lien in, and retain possession of, the collateral. The obligations serving as collateral must be free from all third party liens.

8.01.09 Prime commercial paper of a United States corporation, finance company or banking institution rated in any of the two highest rating categories of S&P or the equivalent rating by another recognized rating agency.

8.01.10 Public housing bonds issued by public agencies. Such bonds must be fully secured by a pledge of annual contributions under a contract with the United States government; temporary notes, preliminary loan notes or project notes secured by a requisition or payment agreement with the United States; or state or public agency or municipality obligations; provided that all of the above investments are rated in the three highest rating categories by S&P or the equivalent rating by another recognized rating agency.

8.01.11 Shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940) or shares in a regulated investment company (as defined in Section 851(a) of the Internal Revenue Code of 1986, as amended) that is (A) a money market fund that has been rated in the highest rating category by S&P or the equivalent rating by another recognized rating agency, or (B) a

money market account of the Trustee or any state or federal bank that is rated A or better by S&P or the equivalent rating by another recognized rating agency or that has a combined capital and surplus of not less than \$50,000,000.

8.01.12 Units of a money market portfolio rated Am or Am-g by S&P or the equivalent rating by another recognized rating agency composed solely of obligations rated Am-g or better by S&P or the equivalent rating by another recognized rating agency having a federal income tax exclusion.

8.01.13 Tax-exempt obligations rated in any of the three highest rating categories by S&P or the equivalent rating by another recognized rating agency.

8.01.14 Units of a taxable government money market portfolio rated at least Am or Am-g by S&P or the equivalent rating by another recognized rating agency composed solely of obligations issued or guaranteed as to payment of principal and interest by the full faith and credit of the United States Government or repurchase agreements collateralized by such obligations.

8.01.15 Certificates of deposit issued by commercial banks, savings and loan associations and mutual savings banks rated A or better by S&P or the equivalent rating by another recognized rating agency and properly secured at all times by collateral security described in paragraphs (1) and (2) above.

8.01.16 The following investments, fully insured by the Federal Deposit Insurance Corporation or collateralized in accordance with Government Code section 16521: (a) certificate of deposit, (b) savings accounts, (c) deposit accounts, (d) depository receipts of banks. Investments that exceed FDIC insurance limits must be collateralized to satisfy the "fully insured" requirement.

8.01.17 Local Agency Investment Fund

8.01.18 Shares of beneficial interest issued by joint powers authority organized pursuant to Section 6509.7 of the Government Code that invests in the securities and obligations authorized by Section 53601 ("Section 53601"), subdivisions (a) through (r), inclusive of the Government Code. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this provision, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria: (i) the adviser is registered or exempt from registration with the United States Securities and Exchange Commission; (ii) the adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive of Section 53601; and (iii) the adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

RESOLUTION NO. 24-1066

**RESOLUTION OF THE JOSHUA BASIN WATER DISTRICT
BOARD OF DIRECTORS DELEGATING AUTHORITY
RELATIVE TO INVESTMENT OR REINVESTMENT OF
SPECIFIED FUNDS, AND ADOPTING A REVISED
STATEMENT OF INVESTMENT POLICY**

WHEREAS, the Joshua Basin Water District (“JBWD”) is a county water district organized and operating pursuant to the provisions of the laws of the State of California (State or California); and

WHEREAS, JBWD from time to time has money held by its District Treasurer/Director of Finance (“Treasurer/Director”) not required for the immediate necessities of JBWD (“Investment Portfolio”) and is authorized by law including, but not by way of limitation, Section 53601, *et. seq.*, of the California Government Code (Government Code or CGC), to invest moneys in the Investment Portfolio in a manner consistent with applicable State law; and

WHEREAS, Section 53607 of the Government Code authorizes the Board of Directors (“Board”) of JBWD to delegate such authority to the Treasurer/Director to invest, reinvest, sell, or exchange securities in and for the Investment Portfolio until such time as such delegation of authority is revoked; and

WHEREAS, it is the desire of the Board to renew the delegation of such authority and provide for a revised Statement of Investment Policy of JBWD.

NOW, THEREFORE, the Board of Directors of the Joshua Basin Water District hereby resolves, determines, and orders as follows:

1. That the Board does hereby delegate authority to the Treasurer/Director to invest and reinvest funds of JBWD pursuant to all applicable laws, statutes, and regulations of the State as set forth in this Resolution. The Board reserves the right to provide for delegation of investment authority in the future by way of resolution or by motion.


2. That the revised Statement of Investment Policy of JBWD is hereby adopted as set forth in Exhibit A attached to this Resolution, which is incorporated by this reference and shall be deemed to be effective as of October 16, 2024, and every fiscal year hereafter unless changed or modified by further action of this Board.

3. That the General Manager, or her designee, shall modify the JBWD Administrative Code to reflect the changes set forth in the modified policy and may take any other action reasonably necessary to effectuate the purpose and intent of this Resolution.

4. This Resolution hereby supersedes any prior resolutions adopted by the Board relative to investment policies of JBWD.

PASSED AND ADOPTED this 16th day of October 2024, pursuant to the following votes:

AYES:	<u>4</u>	
NOES:		<u>0</u>
ABSENT:		<u>1</u>
ABSTAIN:		<u>0</u>

By: 
Thomas Floen, President

By: 
Sarah Johnson, General Manager & Board Secretary