

RESOLUTION NO. 2022-2266

A RESOLUTION APPROVING BOARD POLICY REVISIONS FOR B-70 ELECTRONIC/FAX COMMUNICATION AND F-70 INVESTMENTS

THE LAS GALLINAS VALLEY SANITARY DISTRICT

WHEREAS, the Board of Directors ("Board") has determined that a comprehensive list of Policies and Procedures for the Board is in the best interest of the District; and

WHEREAS, the Board has compiled a comprehensive list of Policies and Procedures to serve as the rules and regulations of the Board; and

WHEREAS, the Board did adopt such comprehensive list of Policies and Procedures on July 9, 2009; and

WHEREAS, such policies may need to be updated from time to time; and

WHEREAS, on June 2, 2022, the Board reviewed and suggested changes on Board policies B-70 Electronic/Fax Communications and F-70 Investments

NOW THEREFORE, the Board of Directors of the Las Gallinas Valley Sanitary District approves the following revised policy sections: B-70 ELECTRONIC COMMUNICATION TO AND FROM THE BOARD and F-70 INVESTMENTS The previously approved Board Policies B-70 and F-70 are hereby revoked and declared null and void.

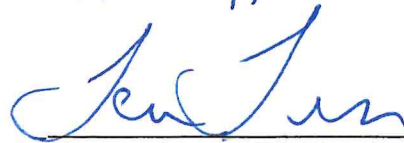
If any policy or portion of a policy contained within the Policies and Procedures is in conflict with rules, regulations, or legislation having authority over the Las Gallinas Valley Sanitary District, said rules, regulations or legislation shall prevail.

The Policies and Procedures shall remain in effect until amended by at least a majority vote of the Board of Directors.

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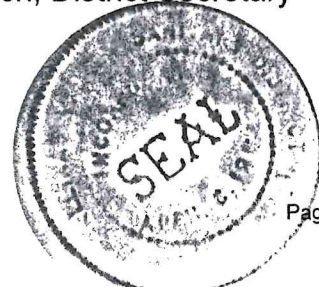
I hereby certify that the forgoing is a full, true, and correct copy of a resolution duly and regularly passed and adopted by the Sanitary Board of the Las Gallinas Valley Sanitary District, Marin County, California, at a meeting thereof held on the 21st day of July 2022, by the following vote of the members thereof:

AYES, and in favor thereof Members: Clark, Ford, Murray, Schriebman, Yerman
NOES, Members: None.
ABSENT, Members: None.
ABSTAIN, Members: None.


Teresa Lerch, District Secretary

APPROVED:


Judy Schriebman, President of Board of Directors



B-70 ELECTRONIC COMMUNICATION TO AND FROM THE BOARD

Purpose

This policy establishes the proper procedures for communication with Board Members.

B-70-10 Primary Communication. Routine communication between the District Office and Board Members at home shall be by telephone and e-mail or other effective means.

B-70-20 Provision for Communications. The District may provide Board Members appropriate and necessary equipment and/or services to allow for reasonable communications with the District.

B-70-30 Brown Act Compliance. Electronic communication including email messages sent to a quorum of the District Board are subject to the Brown Act and should be of an informational nature only and should not solicit feedback or encourage separate communication amongst a quorum. Recipients of said e-mails, shall not “reply-all” to e-mails with any correspondence which would otherwise require public notice requirements.

B-70-40 Use of Private Email. Board Members are provided with email addresses and shall not use home or business email accounts for any communication pertaining to District business. District issued email shall be used for all communication regarding district business, and only for such communication. Any email messages pertaining to District business on private or business email accounts are subject to Brown Act Compliance. This includes, but is not limited to, (1) ensuring that Board Members cooperate with the District for Public Records Act requests related to the email account, (2) retaining emails for the time period required by the District’s records retention policy and (3) promptly transferring a copy of the email to a District email account.

B-70-50 Text Messages on Personal Devices. Board Members should avoid transmitting or receiving text messages pertaining to District business on private devices except for scheduling and coordination of meetings. Any text messages pertaining to District business on personal devices must be treated the same as emails containing District business on private email or business accounts.

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President of the Board	Last Reviewed: July 21, 2022

F-70 INVESTMENTS

Purpose

This policy establishes who controls investments, the acceptability of various types of investments, criteria for judging investments, and provisions for Board oversight.

F-70-10 Premises. The Legislature of the State of California has declared:

- That the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code (CGC) §53600.6 and §53630.1); and,
- Government Code Sections 5921 and 53601, et seq., allow the legislative body of a local agency to invest surplus monies not required for the immediate necessities of the local agency; and,
- The treasurer or fiscal officer of a local agency is required to annually prepare and submit a statement of investment policy and such policy, and any changes thereto, is to be considered by the local agency’s legislative body at a public meeting (CGC §53646(a)).

For these reasons, and to ensure prudent and responsible management of the public’s funds, it is the policy of the District to invest funds in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all statutes governing the investment of District funds.

F-70-20 Scope. This investment policy applies to all financial assets of the District. These funds are accounted for in the Annual Audited Financial Statements.

F-70-30 Prudence. The standard of prudence to be used by investment officials shall be the prudent investor standard (CGC §53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security credit risk or market price changes, provided deviations for expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

F-70-40 Objectives. As specified in CGC §53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives of the investment activities, in priority order, shall be:

Safeguard: Safeguarding the principal is the foremost objective of the investment program. Investments of Las Gallinas Valley Sanitary District shall be undertaken in a manner that

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seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

Liquidity: The investment portfolio will remain sufficiently liquid to enable Las Gallinas Valley Sanitary District to meet all operating requirements, which might be reasonably anticipated.

Return on Investments: The investment portfolio shall 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 the cash flow characteristics of the portfolio.

F-70-50 Delegation of Authority. Authority to manage the investment program is derived from California Government Code Sections 53600, et seq. Management responsibility for the investment program is hereby delegated to the General Manager and District Treasurer. Written procedures for the operation of the investment program consistent with this investment policy shall be established. Procedures should include references to safekeeping, (PSA) Public Securities Association repurchase agreements, wire transfer agreements, collateral/depository agreements, and banking services contracts, as appropriate. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the General Manager and District Treasurer. The General Manager shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Under the provisions of California Government Code §53600.3, the General Manager and District Treasurer are trustees and/or fiduciaries, subject to the prudent investor standard.

F-70-60 Ethics and Conflicts of Interest. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

F-70-70 Authorized Financial Institutions and Dealers. The General Manager and District Treasurer will maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, the District shall select only broker/dealers who are licensed and in good standing with the California Department of

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Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the District Treasurer, or other appropriate District officer, shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the District’s account with the firm has reviewed the District’s Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the District that are appropriate under the terms and conditions of the Investment Policy.

F-70-80 Authorized and Suitable Investments. The District is empowered by California Government Code §53601, et seq., to invest in the following:

- Bonds issued by the District.
- U.S. Treasury Bills, Notes Bonds, or certificates of indebtedness
- Registered state warrants or treasury notes or bonds issued by the State of California.
- Registered treasury notes or bonds of any of the other 49 states, in addition to California.
- Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurers, other local agencies or Joint Powers Agencies.
- Obligations issued by agencies or instrumentalities of the U.S. Government.
- Funds held under the terms of a trust indenture or other contract or agreement may be invested according to the provisions of those indentures or agreements.

The District is empowered to invest in any other investment security authorized under the provisions of CGC §5922 and §53601. (See CGC §53601 for a detailed summary of the limitations and special conditions that apply to each of the above listed investment securities. CGC §53601 is included by reference in this investment policy.)

F-70-90 Collateralization. All certificates of deposits must be collateralized by U.S. Treasury Obligations. Collateral must be held by a third party trustee and valued on a monthly basis. The percentage of collateralization on repurchase and reverse repurchase agreements will adhere to the amount required under CGC §53601(i)

F-70-100 Safekeeping and Custody. All security transactions entered into by the District shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired

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shall be delivered to the District by book entry, physical delivery or by third party custodial agreement as required by CGC §53601.

F-70-110 Diversification. It is the policy of the District to diversify its investment portfolio by security type and institution. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Diversification strategies shall be determined and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- A. Portfolio maturities shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- B. Maturities selected shall provide for stability of income and liquidity.
- C. Disbursement and payroll dates shall be covered through maturities investments, marketable U.S. Treasury Bills or other cash equivalent instruments, such as money market mutual funds.

F-70-120 Reporting. In accordance with CGC §53646(b)(1), the District Treasurer, or other appropriate District officer, shall submit to each member of the Board a quarterly investment report. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for the District by third party contracted managers. The report will also include the source of the portfolio valuation. As specified in CGC §53646 (e), if all funds are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that: (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy; and, (2) The District will meet its expenditure obligations for the next six months as required by CGC §53646(b)(2) and (3), respectively. The Treasurer, or other appropriate District officer, shall maintain a complete and timely record of all investment transactions.

F-70-130 Investment Policy Review. Staff may annually present this Investment Policy to the Board for review. Any modifications shall be considered at a public meeting and be approved by the Board.

F-70-140 Prohibited Investments. Under the provisions of CGC §53601.6 the District shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools, or any investment that may result in a zero interest accrual if held to maturity.

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