

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE VENTURA RIVER
WATER DISTRICT**

**RESOLUTION # 2018 - 313
RESOLUTION STATING THE INVESTMENT AND RESERVE POLICY
FOR DISTRICT FUNDS**

WHEREAS, Government Code Section §53646 requires the Chief Fiscal Officer of the District to annually submit a statement of investment policy to the Board of Directors; and

WHEREAS, the Board of Directors desires to reaffirm the Ventura River Water District investment and reserve policy to assist the District in making safe and prudent investments;

NOW THEREFORE, be it resolved, determined and ordered by the Board of Directors of the Ventura River Water District that its investment policy shall be as follows;

1. That this Resolution is intended to outline the policies for prudent reserves and investment of the District's funds and to provide guidelines for suitable investment.
2. The investment policies and practices of the District are based upon Federal, State and Local law and prudent money management.
3. The primary goals of these policies are:
 - a) To provide for adequate savings to address financial sustainability of the District and to enable the District to address unanticipated emergencies.
 - i. Operating Reserves are set at about 7% of operating costs
 - ii. Water Sales Fluctuation Reserves are set at \$200,000 to provide revenue stability when usage drops faster than water rates can be adjusted.
 - iii. Capital Improvement Reserves are set each year to enable the completion of the 10-year Capital Improvement Program in combination with water revenues.
 - iv. New Water Resources Reserves are set as needed to fund new water resources such as wells or imported water.
 - v. Emergency Reserves are set to be \$750,000 in year 2022 to prepare the District for unplanned emergencies.
 - b) To assure compliance with all Federal, State and Local laws governing the investment of monies under the control of the District's Treasurer.
 - c) To protect the principal monies entrusted to this office.
 - d) To generate income within the parameters of this Statement of Investment Policy and the guidelines for suitable investments.
 - e) Safety of principal is the foremost objective of the District. Liquidity is the second most important objective. Investments shall be undertaken to produce an acceptable rate of return after first considering safety of principal and liquidity.
4. The Rabo Bank shall be utilized for operations banking purposes. The following accounts shall be limited to the amounts insured by the FDIC as shown;
 - a) General Operating Checking \$200,000.00
 - b) Security Deposit Checking \$ 50,000.00
5. Investment funds exceeding the limits outlined in item four (4) above shall be placed in the Ventura County Treasury Portfolio and/or the State of California Local Agency Investment Fund as instructed by the Board of Directors in this Investment Policy.

6. The Investment and reserve policies outlined above may be modified at any time with a majority of the Board of Directors approval.

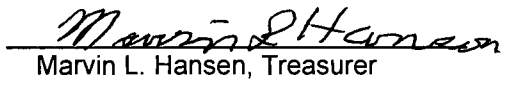
PASSED, APPROVED AND ADOPTED this 20th day of June 2018.

Ayes:
Noes:
Absent:

Attest:



John R. Curtis, President



Marvin L. Hansen, Treasurer