



INVESTMENTS

The Board of Directors recognizes the need to establish investment guidelines for the District.

The District Treasurer, who is responsible for the stewardship of the Pliocene Ridge Community Services District's funds, shall submit investment proposals to the Board for its review and approval.

Each transaction and the entire portfolio must comply with California Government Code section 53601, et seq., section 53635 et seq., and this policy.

All transactions shall be judged by the standards of the investment policy and ranking of investment objectives. Those activities that violate its spirit and intent will be deemed to be contrary to the policy.

INVESTMENT PROCEDURES

- A. Authority
Pursuant to applicable government code, the Board of Directors may invest district funds.
- B. Standard of Care
The District Treasurer shall refrain from all personal business activity that could conflict with the management of the investment program. All individuals involved will be required to report all gifts and income in accordance with California state law. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the District Treasurer shall act with the care, skill, prudence and diligence to meet the goals of the investment objectives.
- C. Investment Objectives
All District funds shall be prudently invested in order to earn a reasonable return, while not currently needed for District operations. The specific investment objectives are ranked in order of importance.

1. Safety of Principal
The preservation of principal is the primary objective. Each transaction shall seek to ensure that capital losses are avoided, whether they be from securities default or erosion of market value.
 2. Liquidity
The second objective is to remain sufficiently flexible to enable the District Treasurer to meet all operating and capital requirements that may be reasonably anticipated.
 3. Public Trust
In managing District funds, the District Treasurer and employees should avoid any transactions that might impair public confidence in the Pliocene Ridge Community Services District. Investments should be made with precision and care, considering probable safety of the capital as well as the probable income to be derived.
 4. Maximum Rate of Return
As the fourth objective, investment of District funds should be designed to attain a market average rate of return through budgetary and economic cycles, consistent with the risk limitations, prudent investment principles and cash flow characteristics identified herein.
- D. Internal Controls
The District Treasurer shall establish internal controls to provide reasonable assurance that the investment objectives are met and to ensure that the assets are protected from loss, theft or misuse.
- E. Treasury Oversight Committee
The Board of Directors shall provide oversight by review and approval of investment proposals.
- F. Authorized Investments
Investments shall be made in accordance with applicable law. All investments shall be reviewed and approved by the Board.
- G. Prohibited Investments
No investments shall be authorized that have the possibility of returning zero or negative yield if held to maturity.
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Adopted 2007 (old # 3500)