



AGENDA STAFF REPORT

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Agenda Number: D
File ID: 1034

Section Name: Finance
Project ID: N/A

MEETING DATE: January 28, 2025

SUBJECT: Approve Resolution No. 2025-04, Adopting the District's Investment Policy

TO: BOARD OF DIRECTORS

FROM: FINANCE, KARLA ROMERO

**GENERAL MANAGER
RECOMMENDATION:**

RECOMMENDATION:

Approve Resolution 2025-04, adopting the District's 2025 Investment Policy.

BUDGET IMPACT:

N/A

PROCUREMENT METHOD:

☒ N/A

If other, please explain: .

BACKGROUND

Finance and Chandler Asset Management conduct an annual review of the Investment Policy in accordance with the existing policy, adopted on October 22, 2024, section XI - Policy Considerations. The District's 2024 Investment Policy was certified by the California Municipal Treasurers Association (CMTA) Investment Policy Certification Program with an overall score of 95 out of 100, therefore only one minor redlined edit is recommended for the 2025 Investment Policy. Since the Policy was certified within the last six months and there is only one minor edit, staff recommends not sending the 2025 Policy for re-certification and planning on sending the 2026 Policy for certification.

Proposed Policy Change is:

- Page 9 – the District's investment portfolio that states "Investments may not represent more than 10% of the outstanding commercial paper of any single corporate issuer" is old language from the California Government Code that is no longer a requirement, therefore, it is being deleted to avoid confusion.

The following list is provided as required under Section V of the Investment Policy.

Certificates of Deposit purchased directly from banking institutions include:

Institution	CD Amount	Interest Rate	Investment Term, Maturity Date
BMO Bank	\$2,500,000	3.966%	6 months, matures 3/13/2025
BMO Bank	\$2,500,000	3.426%	12 months, matures 9/13/2025

The OPEB (Other Post Employment Benefits) Investment Policy is being reviewed in conjunction with the analysis to establish a Section 115 Pension Trust, which is anticipated for future Board discussion.

CMTA INVESTMENT POLICY CERTIFICATION PROGRAM

The certification program was developed by the California Municipal Treasurers Association (CMTA) with support from the California Debt and Investment Advisory Commission (CDIAC). CMTA’s Investment Policy Certification Program provides professional guidance and assistance in developing and/or improving investment policies that meet industry best practices for California’s public sector agencies and districts.

The benefits of having the Investment Policy Certified by the California Municipal Treasurers Association are:

- Trust, confidence and verification to the Governing Body that CVWD’s policy has been reviewed and certified by a professional organization within California.
- The Investment Policy has been reviewed by fellow CMTA members, many of which have earned the Certified California Municipal Treasurers (CCMT) designation.
- To strengthen transparency of the Governing Body to the public.
- To demonstrate that due diligence was performed on the Investment Policy.
- Provide oversight that appropriate California Government Code sections are included (cited) in policy.
- Assist to satisfy auditors when reviewing CVWD’s Investment Policy.

Eighteen areas of the Investment Policy were reviewed with the certification process: Scope, Prudence, Objective, Delegation of Authority, Ethics and Conflicts of Interest, Authorized Financial Dealers and Institutions, Authorized and Suitable Investments, Review of Investment Portfolio, Investment Pools/Mutual Funds, Collateralization, Safekeeping and Custody, Diversification, Maximum Maturities, Internal Controls, Performance Standards, Reporting, Investment Policy Adoption and Glossary.

PRIOR BOARD ACTION:

At a Regular Meeting of the Board of Directors on October 22, 2024, agenda item 5L, to approve the revised CVWD 2024 Investment Policy was approved.

DISTRICT STRATEGIC PLAN GOAL(S)/OBJECTIVES(S):

This action supports CVWD strategic goals of financial viability whereby CVWD manages financial resources to maintain reasonable rates while reliably meeting the service delivery needs of our customers.

ENVIRONMENTAL IMPACT:

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This is not a project as defined by CEQA; therefore, approval does not require any CEQA action.

PUBLIC NOTICE REQUIRED

N/A

LEGAL REVIEW

N/A

ATTACHMENTS

Attachment 1 – Resolution Approving and Adopting the 2025 Investment Policy

Attachment 2 - 2025 CVWD Investment Policy Review-Redline

Attachment 3 - 2025 CVWD Investment Policy Review-Clean Version