

RESOLUTION NO. 1-86
RESOLUTION OF THE BOARD OF DIRECTORS OF THE
RIO LINDA WATER DISTRICT
APPROVING OF
INVESTMENT POLICY AND GUIDELINES

BE IT RESOLVED by the Board of Directors of the Rio Linda Water District that the following is the policy and guidelines of the District for investment.

INTRODUCTION

District monies not required for immediate expenditure will be invested in compliance with governing provisions of law (Government Code Section 53600 et. seq.) and this policy. The District will maintain adequate cash availability and maximum yield on invested funds while insuring that principal invested is protected from loss.

Investments will be made in a range of instruments to insure diversification of the District's portfolio and liquidity of assets in an emergency situation. The prudent person policy of safety, liquidity and yield will prevail at all times.

DEFINITION AND PROVISION OF THE GOVERNMENT CODE

The Rio Linda Water District Board of Directors hereby delegates the investment authority of the District to the General Manager. In accordance with Government Code Sections, collateral established as security for District funds will be those securities specified by law as eligible for collateral for deposits of local public agencies. Investments of District monies not required for immediate expenditure will be made in securities or other certificates of indebtedness as provided by law for the investment of public funds. Investments will be made in accordance with this policy.

CASH FLOW AND AVAILABILITY

The District shall maintain in the State Treasurer's Local Agency Investment Fund monies available for immediate use.

AMOUNT TO BE INVESTED

The District will maintain a cash flow analysis for projection of needed funds. All funds not required for immediate use will be invested.

ACCEPTABLE INVESTMENT INSTRUMENTS AND GUIDELINES FOR INVESTMENT

The District investment portfolio may include the following instruments in which District funds may be invested according to the stated guidelines:

- A. CERTIFICATES OF DEPOSIT: Cash will be invested only in FDIC or FSLIC insured or fully collateralized certificates of deposit. Collateral for a given investment must be 110 percent of principal for governmental securities collateral and 150 percent of principal for first mortgage collateral. No more than 10 percent of the District portfolio, not to exceed \$1 million, shall be invested in any one institution. An institution must meet the following criteria to be considered by the District:

For investments greater than \$100,000, the institution must maintain \$100 million in assets. For investments greater than \$300,000, the institution must maintain at least \$300 million in assets.

The District will not invest in any institution less than four years old.

The institution must maintain a net worth to asset ratio of at least 2.5 percent, and a positive earnings record.

The bank or institution must be located in California.

- B. BANKERS ACCEPTANCES: The District will only invest through the 15 largest banks in the United States or the 100 largest banks in the world (in terms of assets). The maximum investment with any one institution will not exceed \$3 million.
- C. TREASURY BILLS AND NOTES: The District will require safekeeping documentation of the treasury instrument in an acceptable safekeeping account in the District's name. The maximum maturity on treasury bills is one year and three years on treasury notes.
- D. GOVERNMENT AGENCY SECURITIES: The District will require physical delivery of these securities to an acceptable safekeeping account in the District's name. Examples of these securities include Government National Mortgage Association, Federal National Mortgage Association, Federal Land Bank, and Federal Farm Credit Banks.
- E. COMMERCIAL PAPER: The District will require safekeeping documentation of the security in an acceptable safekeeping account in the District's name. Commercial paper will be used solely as a short-term investment not to exceed 15 days. A rating of Standard and Poor's A-1 or Moody's P-1 is required. The District will only invest in the 15 largest banks (in terms of total assets) in the United States. The investment in any one institution will not exceed \$500,000.
- F. REPURCHASE AGREEMENTS (Repos): The District will require physical delivery of these securities to an acceptable safekeeping account in the District's name. Repos will be used solely as a short-term investment not to exceed 30 days. The institution from which the District purchases a repo must transfer on an ongoing basis sufficient securities to compensate for changing market conditions and insure that adequate collateral is maintained in the District's safekeeping account to cover the principal invested. The investment in any one institution will not exceed \$1 million.

- G. STATE LOCAL AGENCY INVESTMENT FUND: The investment with LAIF may not, by state regulation, exceed \$5 million.
- H. PASSBOOK SAVINGS ACCOUNTS: Savings accounts shall be maintained for amounts under \$100,000 that are received too late in the day to invest in other instruments.

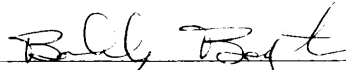
MATURITY OF INVESTMENTS: With the exception of Treasury notes, the maturity of a given investment will not exceed one year. Treasury notes may be purchased for a period not to exceed three years.

USE OF SECURITIES DEALERS AND BROKERS: The District will not use brokers or dealers in placing of investments. All investments will be placed by the General Manager.


BE IT FURTHER RESOLVED that each month the General Manager shall furnish the Board of Directors a detailed listing of the previous month's investments, date of purchase, date of maturity, institution where investments were placed and interest rate on investments.

PASSED AND ADOPTED by the Board of Directors of the Rio Linda Water District this 12th day of February, 1986 by the following vote:

AYES: 3
NAYS: 0
ABSTAIN: 0
ABSENT: 1


BOBBY BAXTER, President

ATTEST:


MASON A. ADAMS, Secretary

RESOLUTION NO. 2-86

RESOLUTION OF THE BOARD OF DIRECTORS OF THE

RIO LINDA WATER DISTRICT
MAKING APPLICATION FOR THE ANNEXATION
OF TERRITORY DESIGNATED AS
NORTHWEST ANNEXATION

RESOLVED, by the Board of Directors of the Rio Linda Water District,
that

WHEREAS, the Board of Directors of the Rio Linda Water District desires
to initiate proceedings pursuant to the Cortese-Knox Local Government
Reorganization Act of 1985, Division 3, commencing with Section 56000
of the California Government Code, for the annexation of said territory;
and

WHEREAS, the territory proposed to be annexed is inhabited, and a de-
scription of the boundaries of the territory is set forth in Exhibits
A and B, attached hereto and by this reference incorporated herein; and

WHEREAS, this proposal is consistent with the sphere of influence of the
affected district; and

WHEREAS, it is desired to provide that the proposed annexation be subject
to the following terms and condition:

Authorization for the annexing district to impose the basic
tax rate.

WHEREAS, the reason for the proposal is to uniform inconsistent boundaries
and eliminate spotty annexations throughout the prescribed area of
influence.

NOW THEREFORE, this Resolution of Application is hereby adopted and approved
by the Board of Directors of the Rio Linda Water District, and the Local
Agency Formation Commission of Sacramento County is hereby requested to take
proceedings for the annexations of territory as described in Exhibits A and
B, according to the terms and condition stated above and in the manner pro-
vided by the Cortese-Knox Local Government Reorganization Act of 1985.

Passed and adopted by the Board of Directors of the Rio Linda Water District
at a regular meeting thereof held on the 14th day of May, 1986, by the
following vote:

AYES: 5
NOES: Ø
ABSENT: Ø

CERTIFICATE OF COMPLETION OF PROCEEDINGS
FOR THE ANNEXATION TO THE
RIO LINDA WATER DISTRICT
OF THAT TERRITORY DESIGNATED
NORTHWEST ANNEXATION TO
RIO LINDA WATER DISTRICT (11-86)

RIO LINDA WATER DISTRICT RESOLUTION NO. 3-86

WHEREAS, the Board of Directors of RIO LINDA WATER DISTRICT heretofore initiated a proceeding for the annexation by said District of a certain territory designated as "NORTHWEST ANNEXATION to Rio Linda Water District (11-86)" pursuant to the District Reorganization Act, commencing with Section 56000 of the Government Code; and

WHEREAS, the Sacramento Local Agency Formation Commission by Resolution No. LAFC-928, approved the proposed annexation subject to the following specified terms and conditions:

(a) Authority for the RIO LINDA WATER DISTRICT to annex the territory with noticed hearing;

NOW THEREFORE, the Board of Directors of RIO LINDA WATER DISTRICT hereby resolves, determines and orders as follows:

(1) The territory designated, "NORTHWEST ANNEXATION to Rio Linda Water District (11-86)", and particularly herein be, and the same is hereby annexed to the RIO LINDA WATER DISTRICT with noticed hearing;

The exterior boundaries of the territory annexed are described as follows: (SEE ATTACHED)

Passed and adopted this 13th day of August, 1986 by the Board of Directors of the RIO LINDA WATER District, by the following vote:


AYES: 5

NOES: 0

ABSENT: 0



BOBBY BAXTER, President
Board of Directors
Rio Linda Water District



MASON A. ADAMS, Secretary