

**OLIVEHURST PUBLIC UTILITY DISTRICT**

**RESOLUTION NO. 2118**

**RESOLUTION OF OLIVEHURST PUBLIC UTILITY DISTRICT  
ADOPTING THE OLIVEHURST PUBLIC UTILITY DISTRICT STATEMENT  
OF INVESTMENT POLICY**

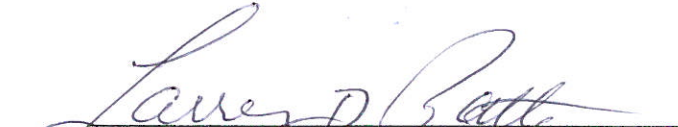
**WHEREAS**, the Board has heretofore authorized and appointed in accordance with Resolution No. 2117 the General Manager to serve as the Treasurer for Olivehurst Public Utility District and invest District funds; and

**WHEREAS**, the Board is required to adopt an investment policy to guide the investment decisions of the Treasurer; and,

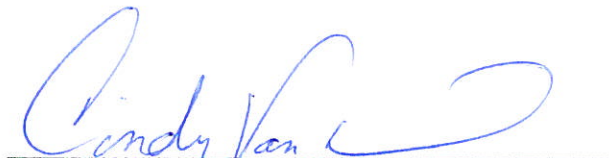
**NOW, THEREFORE**, the Board does hereby adopt the attached Olivehurst Public Utility District Statement of Investment Policy as the official investment policy of the District.

PASSED AND ADOPTED THIS 18<sup>th</sup> DAY OF MAY 2006.


OLIVEHURST PUBLIC UTILITY DISTRICT

  
\_\_\_\_\_  
President, Board of Directors

ATTEST:

  
\_\_\_\_\_  
District Clerk & ex-officio Secretary

APPROVED AS TO FORM AND LEGAL  
SUFFICIENCY

  
\_\_\_\_\_  
Jeffrey A. Meith, Legal Counsel

\* \* \* \* \*

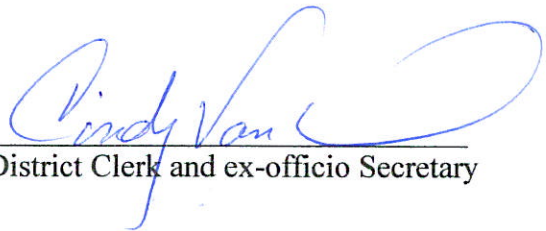
I hereby certify that the foregoing is a full, true and correct copy of a Resolution duly adopted and passed by the Board of Directors of the Olivehurst Public Utility District, Yuba County, California, at a meeting thereof held on the 18th day of May 2006, by the following vote:

AYES, AND IN FAVOR THEREOF: Director Morrison, Hollis, Miller, and Patty.

NOES : None.

ABSTAIN : None.

ABSENT : Director Carpenter.

  
District Clerk and ex-officio Secretary

**OLIVEHURST PUBLIC UTILITY DISTRICT  
STATEMENT OF INVESTMENT POLICY**

**1. Background and Purpose.**

- a. Government Code sections 53600 et seq. and 53630 et seq. and other laws authorize the District to deposit and invest its money and funds in various institutions and types of investments, subject to limitations.
- b. The purpose of this policy is to provide guidelines to the Treasurer of Olivehurst Public Utility District with regard to the deposit and investment of District monies and funds in accordance with, and subject to the limitations of, applicable laws.

**2. Scope.**

This investment policy applies to all monies, funds, and financial assets of the District, including its general funds, all enterprise funds, all trust funds, and any and all capital project funds.

**3. Standard of Care and Objectives.**

- a. Deposits and investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income derived. The Treasurer shall deposit and invest funds pursuant to a “prudent investor” standard applied in the context of managing the entire portfolio. (See Gov. Code § 53600.3)
- b. When depositing, investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing District funds, the District’s primary goals and objectives, in order of priority, shall be:
  - i. Safety: To safeguard the principal of the District funds. Deposits and investments of District funds, monies, and financial assets shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
  - ii. Liquidity: To meet the liquidity needs of the District. The District’s investment portfolio must remain sufficiently liquid to enable the District to meet all operating expenses and requirements which might be reasonably anticipated.
  - iii. Return on Investment: To achieve a return on the investment of the District funds. As a final priority, the District’s investment portfolio shall be designed with the