



Santa Clara Valley Water District

File No.: 18-0186

Agenda Date: 5/8/2018

Item No.: 3.4.

BOARD AGENDA MEMORANDUM

SUBJECT:

Resolution Delegating Authority to Deposit and Invest Funds to the Treasurer or his or her Designee.

RECOMMENDATION:

- A. Adopt the Resolution DELEGATING BOARD'S AUTHORITY TO DEPOSIT AND INVEST FUNDS TO THE TREASURER OR HIS OR HER DESIGNEE; and
- B. Approve the Board Investment Policy for Fiscal Year 2018-19.

SUMMARY:

In accordance with Board Governance Policy -Executive Limitation 4.9 regarding treasury and investment management, and pursuant to Title 5, Division 2, Part 1, Chapter 4, Articles 1 and 2 of the California Government Code, as amended from time to time (the "Government Code"), staff recommends that the Board: (A) adopt the resolution delegating authority to deposit and invest funds to the Treasurer or his or her designee, and (B) approve the Board Investment Policy for Fiscal Year 2018-19.

Delegation of Authority to Deposit and Invest Public Funds

The authority to deposit and invest public funds belongs to the Board and may be delegated to the Treasurer and his or her designee. The Treasurer is designated by the Chief Executive Officer and is currently the Chief Financial Officer, who in turn has delegated the investment duties to the Treasury/Debt Officer.

Per Government Code Section 53607, the delegation of authority to invest must be renewed annually. If the Board chooses not to delegate the authority to invest, the Treasurer will be limited to making deposits only, and the Board will be responsible for the investment of the District's funds. Furthermore, under Government Code Section 53608, the Board may delegate authority to deposit funds for safekeeping with a federal or state association (as defined by Section 5102 of the Financial Code), a trust company or state or national bank located within this state or with the Federal Reserve Bank of San Francisco or any branch thereof within this state, or with any Federal Reserve bank or with any state or national bank locate in any city designated as a reserve city by the Board of Governors of the Federal Reserve System. Through the Board's adoption of the resolution attached

to this memorandum as Attachment 1, the Board, pursuant to California Government Code Sections 53607 and 53608, will delegate to the Treasurer, designated by the Chief Executive Officer, the authority to invest or deposit such funds in accordance with the provisions set forth in the Government Code.

Investment Policy

The District's Investment Policy is consistent with the Government Code and follows the priorities of safety, liquidity and yield. The Investment Policy applies to the District's pooled investment fund which encompasses all monies under the direct oversight of the District Treasurer. Included in the investment pool are the District General Fund, the Safe, Clean Water Fund, the Watershed Funds, the Water Utility Enterprise Fund, the Equipment Service Fund, the Risk Insurance Fund, and debt proceeds with special consideration given to specific provisions contained in the indentures for each debt issuance. Pursuant to Government Code section 53601.8, local agencies have the authority to invest funds at banks and credit unions. Section 7.5 and 7.6 of the District's Investment Policy have been updated to reflect this guideline.

Climate Divestment Policy

On August 27, 2013, the Board adopted a new Executive Limitation, EL-4.9.3. No investments will be made in fossil fuel companies with significant carbon emissions potential. As a result of this action, the District shall not invest in the top 200 fossil fuel companies based on the list published by the non-profit organization, 350.org. The list published by 350.org is included in Exhibit C of Attachment 2-Investment Policy.

The District investment portfolio is in full compliance with the Climate Divestment Policy and has zero investments in fossil fuel companies.

FINANCIAL IMPACT:

Adoption of the resolutions will ensure that District funds continue to be invested under the Investment Policy for Fiscal Year 2018-19. Estimated investment earnings of \$4 million have been included in the Fiscal Year 2018-19 budget.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a

potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Resolution

Attachment 2: Fiscal Year 2018 Investment Policy

UNCLASSIFIED MANAGER:

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