

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE GOLD RIDGE FIRE PROTECTION DISTRICT APPROVING  
AND ADOPTING AN INVESTMENT POLICY**

**WHEREAS**, the Board of Directors (the “Board”) of Gold Ridge Fire Protection District (the “District”) recognizes that investment of public funds must be done in a prudent manner which maximizes security and provides maximum return in preserving and protecting funds, while meeting the daily cash flow demands and conforming to all applicable federal, state and/or local government statutes governing the investment of public funds; and

**WHEREAS**, the State Legislature has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern; and

**WHEREAS**, the District may invest monies in accordance with the provisions of California Government Code Sections 5922 and 53600 et seq; and

**WHEREAS**, the Board hereby finds and determines that adoption of the attached Investment Policy (the “Investment Policy”) will help establish a clear understanding for the Board, management, citizens and third parties of the objectives, policies, and guidelines for the investment of the District’s idle and surplus funds; and

**NOW, THEREFORE BE IT RESOLVED AND ORDERED BY THE BOARD OF DIRECTORS OF THE GOLD RIDGE FIRE PROTECTION DISTRICT THAT:**

**Section 1. Recitals and Findings.** The Board hereby specifically finds and declares that all of the facts in the Recitals of this Resolution are true and correct.

**Section 2. Adoption of Investment Policy.** The Board hereby finds and declares that the proposed Investment Policy attached as Exhibit “A” hereto, is hereby approved as the official Gold Ridge Fire Protection District Investment Policy to be effective May 8, 2024.

**Section 3. Authorized Official Actions.** The Chairman, Fire Chief, Executive Assistant and all other officers of the District are hereby authorized and directed, jointly and severally, to do any and all things to effectuate the purposes of this Resolution and to implement and administer the Investment Policy.

**Section 4. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

**ADOPTED, SIGNED AND APPROVED** at a duly called meeting of the Board of Directors of the Gold Ridge Fire Protection District by the following polled vote:

The foregoing resolution was introduced by Director \_\_\_\_\_ who moved its adoption, seconded by Director \_\_\_\_\_, and adopted by the BOARD OF DIRECTORS of the Gold Ridge Fire Protection District, at a regular meeting thereof, held on the 8<sup>th</sup> day of May, 2024, by the following roll call vote:

DIRECTORS:           Gloeckner\_\_\_\_\_, Carinalli\_\_\_\_\_, Tachouet\_\_\_\_\_  
                          Petrucci\_\_\_\_\_, Lachman\_\_\_\_\_, Warburg\_\_\_\_\_, Gambonini\_\_\_\_\_

ATES:\_\_\_\_\_           NOES:\_\_\_\_\_           ABSENT:\_\_\_\_\_           ABSTAIN:\_\_\_\_\_

Whereupon, the Chairman of the Board of Directors declared the forgoing resolution adopted, and SO ORDERED.

\_\_\_\_\_  
Chairman of the Board

\_\_\_\_\_  
Clerk of the Board

**EXHIBIT A**

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**INVESTMENT POLICY**

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**GOLD RIDGE FIRE PROTECTION DISTRICT**



**Adopted by the Board of Directors of the  
Gold Ridge Fire Protection District**

**Pursuant to Resolution No. 23/24-09**

**May 8, 2024**

# **GOLD RIDGE FIRE PROTECTION DISTRICT**

## **INVESTMENT POLICY**

### **SECTION 1: POLICY**

This Investment Policy sets forth investment objectives for the Gold Ridge Fire Protection District (the “District”), and any other entity for which the Board of Directors of the District (the “Board”) acts as legislative body, and the term “District” shall refer to each of such entities, and the term “Board” shall refer to the governing boards of each such entity.

This Investment Policy establishes procedures that are formulated in compliance with governing provisions of law (California Government Code Sections 53600 et seq.) for a prudent and systemic investment program in support of the District’s overall mission. The Board has adopted this Investment Policy by resolution.

This Investment Policy is intended to comply with California Government Code Sections 5922 and 53601 et seq.

### **SECTION 2: SCOPE**

This Investment Policy covers all funds and investment activities under the direct authority of the District with the exception of deferred compensation assets and any trust funds. The proceeds obtained from the issuance of bonds shall be invested in accordance with the applicable bond documents. If the bond documents are silent as to the investment of the proceeds, the bond proceeds will be invested in the securities permitted by this Investment Policy. Notwithstanding the other provisions of this Investment Policy, the percentage or dollar portfolio limitations listed elsewhere in this Investment Policy do not apply to bond proceeds.

The overall investment program shall be designed and managed with a degree of professionalism worthy of the public’s trust. All persons authorized to make investment decisions on behalf of the District are trustees and therefore fiduciaries subject to the prudent investor standard. The prudent investor standard states that “a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.”

In cases that require exceptions to this Investment Policy, approval from the Board will be necessary for implementation.

### **SECTION 3: OBJECTIVES**

The primary objectives of the District’s investment activities shall be, in order of priority:

1. **Safety.** The safety of principal is the foremost objective of the District’s investment program. The District’s investments shall be undertaken in a manner that shall preserve the District’s capital and mitigate credit risk and interest rate risk. The District will diversify its investments by investing funds among a variety of security types, maturities, and issuers.
2. **Liquidity.** The District’s secondary objective shall be to meet its liquidity needs. The investment portfolio shall maintain sufficient liquidity to enable the District to meet all operating requirements which might be reasonably anticipated.

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3. **Yield.** Yield shall become a consideration only after the basic requirements of safety and liquidity have been met. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, considering the investment risk, constraints, and the cash flow characteristics of the portfolio.

#### **SECTION 4: DELEGATION OF AUTHORITY**

Authority of the Board to delegate the management of the District's investment program is derived from California Government Code Section 53607 which states: "The authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one-year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires, and shall make a monthly report of those transactions to the legislative body. Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year."

Management responsibility for the investment program is hereby delegated by the Board to the Fire Chief. The Fire Chief may delegate the day-to-day operations of investing but not the responsibility for the overall investment program. The Fire Chief, and/or an identified designee(s) of the Fire Chief, shall make all investment decisions and transactions in strict accordance with state law and with this Investment Policy.

If authorized by the Board, the Fire Chief, and/or an identified designee(s) of the Fire Chief, may utilize an external investment advisor to assist with investment decision-making and trade execution authority. The investment advisor shall be under the supervision of the Fire Chief and/or an identified designee(s) of the Fire Chief, and shall follow this Investment Policy and such other written instructions as are provided.

The Fire Chief, and/or an identified designee(s) of the Fire Chief, acting in full accordance with the Investment Policy, including all related written procedures and policies and exercising due diligence, shall be relieved of personal responsibility for unexpected and significantly adverse investment outcomes, provided such outcomes are reported in a timely fashion and appropriate action is taken to control further adverse developments.

#### **SECTION 5: AUTHORIZED AND SUITABLE INVESTMENTS**

The type, quality and percent composition within the portfolio shall be in full compliance with Government Code Section 53601 et seq., as may be amended from time to time. All investment types and the limitations under this Investment Policy are listed in Appendix A for both the internal and external investment managers. The percentage limitations and credit requirements listed in this Investment Policy shall apply at the time of purchase. In the event a security held by the District is subject to a rating change that brings it below the minimum credit ratings specified in this Investment Policy, the Fire Chief, and/or an identified designee(s) of the Fire Chief, shall notify the Board of the change.

As approved by the Board, the District may invest in projects, including the District's infrastructure projects with an identified rate of return and repayment schedule.

#### **SECTION 6: PROHIBITED INVESTMENTS**

Section 53601.6 of the Government Code lists the investments that are prohibited. Prohibited investments shall include, but are not limited to, equity securities, inverse floaters, range notes, interest-only strips that are derived from a pool of

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mortgages, or any investment that could result in zero interest earned if held to maturity. The District may invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates. A local agency may hold these instruments until their maturity dates.

The purchase of any investment permitted by the Government Code, but not listed as an authorized investment in this Investment Policy is prohibited without the prior approval of the Board.

### **SECTION 7: INTERNAL CONTROLS**

The Fire Chief, and/or an identified designee(s) of the Fire Chief, shall establish a system of written internal controls to regulate the District's investment activities, including the activities of any subordinate officials acting on behalf of the District. Procedures should include references to individuals authorized to execute transactions or transfers, safekeeping agreements, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking services contracts, as appropriate. As part of the annual financial audit, the District's external auditor will perform a review of investment transactions to verify compliance with policies and procedures.

### **SECTION 8: SAFEKEEPING AND CUSTODY**

To protect against potential losses by the collapse of individual securities dealers, all trades will be executed on a delivered versus payment (DVP) basis with the securities to be held in safekeeping by a third-party custodian, acting as agent for the District under the terms of a custody agreement or a Master Repurchase Agreement. The only exception to the foregoing shall be depository accounts and securities purchases made with: (i) LAIF and joint powers authority pools; (ii) placement certificates of deposit, and (iii) money market mutual funds since the purchased securities are not deliverable. Evidence of each these investments will be held by the Fire Chief.

No outside broker-dealer or advisor may have access to the District's funds, accounts or investments. Any transfer of funds handled through a broker-dealer must be approved by persons identified in the "Delegation of Authority" section of this Investment Policy.

### **SECTION 9: DIVERSIFICATION AND MAXIMUM MATURITIES**

It is the policy of the District to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Diversification strategies shall be determined and revised periodically. With the exception, of U.S. Treasuries Obligations, U.S. Agency securities, Joint Powers Authority Pools, Money Market Mutual Funds, and LAIF, the District's investment in any one issuer is limited to 10 percent of the portfolio.

The Fire Chief, and/or an identified designee(s) of the Fire Chief, shall maintain a system to monitor and forecast revenues and expenditures to identify funds for investment. Maturities of investments will be selected to provide necessary liquidity, manage interest rate risk, and optimize earnings. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds.

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The maximum maturity of individual investments shall not exceed the limits set forth in the Authorized and Suitable Investments section. If the section does not specify a maturity limit, no investment shall have a remaining maturity in excess of five years from the date of purchase unless the District has granted its express authority to make that investment either specifically or as a part of an investment program no less than three months prior to the investment. A maximum of 20% of the portfolio to be invested in securities (those without an Investment Policy stated maturity limit) with maturities between five to ten years.

The Investment Policy authorizes investing bond reserve funds beyond five years if authorized by the applicable bond documents.

### **SECTION 10: REPORTING AND REVIEW**

The Fire Chief, and/or an identified designee(s) of the Fire Chief, shall maintain a complete record of all investments and transactions and shall submit investment transactions to the District as set by Government Code Section 53607. The Fire Chief, and/or an identified designee(s) of the Fire Chief, shall submit a quarterly investment report to the Finance and Finance Committee within 30 days following the end of the quarter covered by the report as stated by California Government Code Section 53646(b)(1). This report will include all elements as prescribed by Government Code Section 53646(b), including the type of investments, the issuers, maturity dates, and par values and dollar amounts invested on all securities. The report will also include investments and moneys held by the District and a description of any of the District's funds or investments that are under the management of contracted parties, such as an investment advisor. For all securities held by the District and under management of an outside party other than a local agency or the State of California Local Agency Investment Fund (LAIF), the report shall also include a current market value as of the date of the report and the source of the portfolio market valuation. The report shall also include a certification that: (1) all investment actions executed since the last report have been made in full compliance with this Investment Policy; and (2) the District can meet its anticipated expenditure obligations for the next six months.

This Investment Policy shall be reviewed by the Fire Chief, and/or an identified designee(s) of the Fire Chief, on an annual basis. Any modifications must be approved by the District's Board of Directors.