

RESOLUTION 2026-07

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HIDDEN VALLEY LAKE
COMMUNITY SERVICES DISTRICT
APPROVING AND ADOPTING
INVESTMENT POLICY FOR PUBLIC FUNDS FOR FISCAL YEAR 2026-2027**

WHEREAS, the Board of Directors of the Hidden Valley Lake Community Services District (District) desires to maintain a formal policy regarding the investment of public funds pursuant to the requirements of Government Code 5921 and 53600 et seq.; and

WHEREAS, the Board of Directors of the District has employed qualified staff to invest those funds in accordance with the law and the terms of the District's investment policy, as well as in a manner that advances the District's investment objectives of safety, liquidity, and yields; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District that the Hidden Valley Lake Community Services District Investment Policy attached hereto as Exhibit "A" and incorporated in full herein by this reference is hereby adopted as the formal investment policy of the District; and

BE IT FURTHER RESOLVED that the General Manager and the Accounting Supervisor of the District are hereby authorized and directed to invest the District's funds in a manner consistent with the terms hereof and in accordance with any further directions of the District's Board of Directors; and

BE IT FURTHER RESOLVED that this Resolution supersedes Resolution 2025-11 adopted by the Board of Director's on June 16th, 2025, and shall take effect July 1, 2026.


PASSED AND ADOPTED by the Board of Directors of Hidden Valley Lake Community Services District on this 17th day of June 2026, by the following vote:

AYES: (5) Directors Graves, Lieberman, Millerick, Metcalf, and Freeman

NOES: (0)

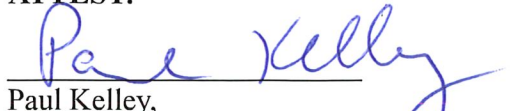
ABSENT: (0)

ABSTAIN: (0)



Gary Graves,
Vice President of the Board of Directors

ATTEST:



Paul Kelley,
General Manager, Secretary to the Board





POLICY	Investment of District Funds	
POLICY # 2402	ADOPTED: June 19, 2012	REVISION: June 16, 2025

2402.1 PURPOSE

The State Legislature has declared the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (Government Code (GC) § 53600.6 and § 53630.1); and,

- a) Government Code Sections 53601, et seq., allow the legislative body of a local agency to invest surplus monies not required for the immediate necessities of the local agency; and,
- b) The treasurer or fiscal officer of a local agency is required to annually prepare and submit a statement of investment policy and such policy, and any changes thereto, is to be considered by the local agency’s legislative body at a public meeting (GC § 53646(a)). The statement shall also be annually presented to any oversight agency of the local agency.
- c) For these reasons, and to ensure prudent and responsible management of the public’s funds, it is the policy of the District to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all statutes governing the investment of District funds as defined in GC § 53600 et seq.

2402.2 SCOPE

This investment policy applies to all financial assets of the District. These funds are accounted for in the annual audited financial statements of the District.

2402.3 POLICY

The Board and persons authorized to make investment decisions subject to these policies are fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a fiduciary 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 District.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs,



POLICY	Investment of District Funds	
POLICY # 2402	ADOPTED: June 19, 2012	REVISION: June 16, 2025

not for speculation, but for investment, considering the probable safety of capital as well as the probable income to be derived.

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from policy or expectations are reported in the next issued quarterly treasury report and appropriate actions are taken to control adverse developments. When a deviation poses a significant risk to the District's financial position, the fiscal officer shall notify the Board immediately.

2402.4 OBJECTIVES

As specified in GC § 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, the primary objectives of the investment activities, in priority order, shall be:

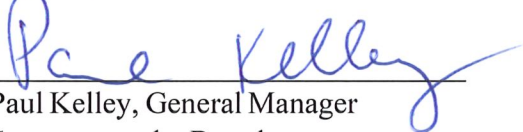
- a) Safety: Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the whole portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- b) Liquidity: The secondary objective shall be to meet the liquidity needs of the District.
- c) Yield: The third objective shall be to achieve a return on the funds under the District's control.

2402.5 Reporting

The District will comply with the reporting requirements as defined in GC § 53646 et seq. and GC § 53607.


Gary Graves, Vice President to the Board

ATTEST:


Paul Kelley, General Manager
Secretary to the Board