



BELL CANYON COMMUNITY SERVICES DISTRICT  
30 HACKAMORE LANE  
BELL CANYON, CALIFORNIA 91307

**REGULAR MEETING**  
OF THE BOARD OF DIRECTORS  
DATE/TIME:

November 25, 2024 at 7:00 p.m.

LOCATION: Bell Canyon Community Center

ALSO VIA ZOOM for the Public:

General Manager is inviting you to a scheduled Zoom meeting.

Topic: Meeting  
Time: Nov 25, 2024 07:00 PM Pacific Time (US and Canada)

Join Zoom Meeting  
<https://zoom.us/j/93067584398?pwd=y8t0VVjQLTN3eFxddOjZ3BgCp4Y5Q3.1>

Meeting ID: 930 6758 4398  
Passcode: 732171

One tap mobile  
+16694449171,,93067584398#,,,,\*732171# US  
+16699009128,,93067584398#,,,,\*732171# US (San Jose)

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Dial by your location  
• +1 669 444 9171 US

Meeting ID: 930 6758 4398  
Passcode: 732171

AGENDA

In accordance with Government Code Section 54954, notice is hereby given that the Board of Directors of the Bell Canyon Community Services District will hold a regular meeting at 7:00 PM on Monday, November 25, 2024, at 30 Hackamore Lane, Bell Canyon, California in the Community Center to consider those items set forth in the following agenda, except in accordance with Government Code Section 54954.2[b]. The Board reserves the right to modify the order in which items are heard.

The District welcomes any member of the public to attend the meeting. Any non-resident who wishes to attend in-person can, upon their arrival at the front gate, inform gate personnel of their attendance at the District's meeting. No pre-registration is required.

Agenda Materials

The complete agenda for this meeting is available at <https://bellcanyoncsd.ca.gov> and at the District Office, 30 HACKAMORE LANE, SUITE #2B, BELL CANYON, CA 91307. Any materials submitted to the legislative body after distribution of this agenda will be available for public inspection at the District Office and available on the web site. Requests for agenda materials or meeting participation assistance can also be made by email to [gm@bellcanyoncsd.ca.gov](mailto:gm@bellcanyoncsd.ca.gov).



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Americans with Disabilities Act (ADA) Accommodations

In compliance with the ADA, any person with a disability who requires accommodation in order to participate in a meeting should contact the District Office at [gm@bellcanyoncsd.ca.gov](mailto:gm@bellcanyoncsd.ca.gov) to request accommodation. The District will use its best efforts to provide reasonable accommodations related to the meeting.

Per Government Code Section 54954.3, every agenda for a special meeting of the Board of Directors shall provide an opportunity for members of the public to directly address the legislative body on any item listed on this agenda, provided that no action shall be taken on any item not appearing on the agenda unless that action is otherwise governed by Government Code Section 54954.2[b]. Public forum will be conducted as the first item of business.

**1. Call to Order and Roll Call**

**2. Pledge of Allegiance**

**3. A moment of silence in memory of the victims of terror in Israel; Ukraine and elsewhere in the world.**

**4. Public comments on Agenda Items.**

- Closed Session
- SUV log
- September 2024 Financials
- Legal Resources Resolution and Policy
- Legal expenses to date
- WM Trash Report 11-2024
- Pay remaining rent on lease
- Investment Resolution and Policy
- General Manager laptop
- Historical Document Preservation
- Year-End Bonuses for Staff
- Optional Director updates

**5. Open Forum/Comments.** In accordance with Government Code Section 54954.3, every agenda for a regular meeting of the Board of Directors shall provide an opportunity for members of the public to directly address the legislative body on any item of interest to the public, before or during the legislative body's consideration of the item, that is within the subject matter jurisdiction of the legislative body, provided that no action shall be taken on any item not appearing on the agenda unless that action is otherwise governed by Government Code Section 54954.2[b].

**6. Rules of behavior due to hybrid nature of meeting using Zoom along with a live audience.**

For any person to speak, they must be recognized by the Presiding Officer and passed the microphone so they can be heard on Zoom. ZOOM attendees will raise their hand on Zoom to request recognition. Zoom attendees will be unmuted on Zoom when recognized. Members of the public in the audience must come to the podium to speak. You will be notified when it is time to come to the podium. All public speakers will be allotted a maximum of 3 minutes. We will recognize Zoom attendees first.



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**7. CLOSED SESSION – EXECUTIVE SESSION – PERSONNEL MATTERS**

**8. BUSINESS ITEMS**

- 8A. SUV log. Receive and file. See agenda packet. ①
- 8B. September 2024 Financials. Receive and file. See agenda packet. ②
- 8C. Legal Resources Resolution and Policy. See agenda packet. Motion and discussion as needed. ⑥
- 8D. Legal Expenses to date. Discussion and motion as needed.
- 8E. WM Trash Day Report. See agenda packet. Motion and discussion as needed. ⑨
- 8F. Pay the remaining rent on lease. See agenda packet. Discussion and motion as needed. ⑩
- 8G. Investment Resolution and Policy. See agenda packet. Discussion and motion as needed. ⑪
- 8H. General Manager laptop. Discussion and motion as needed.
- 8I. Historical Document Preservation. Discussion and motion as needed.
- 8J. Year-End Bonuses for Staff. Discussion and motion as needed.
- 8K. Director updates. Optional updates from individual directors.

**9. NEXT MEETING**

The next Regular meeting is on Monday, December 23, 2024, at 7 PM.

**10. ADJOURNMENT**

# VEHICLE LOG BOOK

Name: BARBARA HOLOWATY

Employee No: \_\_\_\_\_

Log for the month of \_\_\_\_\_

Vehicle Type: \_\_\_\_\_


Vehicle Registration: \_\_\_\_\_

Date the journey Began	Date the journey Ended	Odometer Reading Start	Odometer Reading Finish	Travelled	Purpose of the Journey	Date of Entry	Name of the Driver	Name of person making entry	Signature of person making entry
7/21/24	7/22/24	77235	77235		TRASH PICKUP	097	GMST	B	B
7/31/24	7/31/24	77255	77255		TRASH PICKUP		GMST	B	B
8/7/24	8/7/24	TIRE MONITORING							
8/21	8/21								
8/28	8/28								
9/15	9/15	77351	77351						
9/11	9/11	77372	77372						
9/18	9/18	77394	77394						
9/25	9/25	77415	77415						
9/28	9/28	77428	77428						
10/2	10/2	77447	77447		GET FUEL				
10/9	10/9	77467	77467		TRASH PICKUP				
10/16	10/16	77488	77488						
10/24	10/24	77490	77490						
10/30	10/30	77490	77490						
		77530	77534						

AUTHORISED BY: Name: WALTER KELLY

Signature: 

Date: 11-22-24

<b>BELL CANYON COMMUNITY SERVICES DISTRICT</b>		
<b>TREASURER'S REPORT</b>		
<b>SEPTEMBER 30, 2024</b>		
<b>CASH ON HAND @ AUGUST 31, 2024</b>		
Wells Fargo Checking #7543		-\$50,986
Wells Fargo Sweep #7543		\$414,660
US Bank #3834 (was Union Bank)		\$647,273
Wells Fargo #6605 Brokerage		\$540,270
California Class #0001		\$262,617
US Bank CD #7003		\$0
<b>TOTAL CASH ON HAND @ AUGUST 31, 2024</b>		<b>\$1,813,834</b>
<b>INCOME: SEPTEMBER 2024</b>		
PROPERTY TAX REVENUE	0	
INTEREST EARNED	2,982	
INCOME - EVENTS		
INCOME - OTHER		
<b>TOTAL INCOME - SEPTEMBER 2024</b>	<b>\$2,982</b>	
<b>BILLS PAID: SEPTEMBER</b>		
COUNTY ADMIN FEES	0	
ALESHIRE & WYNDER LLP	-10,220	
BARBARA HOLOWATY	-1,029	
BARBARA HOLOWATY - REIMB	-105	
BCCC	-550	
GREG MCHUGH - PAYROLL	-928	
STREAMLINE	-180	
SPECTRUM	-354	
UNITED SITE SERVICE	-385	
WALTER KELLY - PAYROLL	-3,229	
WASTE MANAGEMENT	-44,778	
WELLS FARGO #9409	-875	
EDD - PAYROLL TAX DEPOSIT	-37	
IRS - PAYROLL TAX DEPOSIT	-973	
BANK CHARGES	-\$440	
<b>TOTAL BILLS PAID - SEPTEMBER 2024</b>	<b>-\$64,083</b>	
<b>TOTAL CASH ON HAND @ SEPTEMBER 30, 2024</b>		<b>\$1,752,733</b>
Prepared By: Barbara Holowaty, Bookkeeper		
Approved: <u>WALTER KELLY</u> 		

BELL CANYON COMMUNITY SERVICES DISTRICT						
TYPE	INSTITUTION	MATURITY	AMOUNT	CURRENT MARKET VALUE	INTEREST RATE	
Checking Account	Wells Fargo #7543	N/A	\$ (1,377.30)	\$ (1,377.30)	0.00	
Investment Sweep	Wells Fargo #7543	N/A	\$ 302,853.20	\$ 302,853.20	4.95	
Checking	US Bank #3834 -was Union Bank	N/A	\$ 647,235.80	\$ 647,235.80	0.00	
Investment	Wells Fargo #6605	10/31/2024	\$ 540,271.75	\$ 540,271.75	4.940	
Investment	California Class #0001		\$ 263,748.60	\$ 263,748.60	5.5	
			\$ -	\$ -		
Petty Cash			\$ 0.56	\$ 0.56		
			\$ 1,752,732.61	\$ 1,752,732.61		

**Bell Canyon Community Services District**  
**Balance Sheet**  
As of September 30, 2024

	<u>Sep 30, 24</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
10820 · Wells Fargo Checking #7543	-1,377.30
10820-1 · Wells Fargo Sweep #7543	302,853.20
10825 · US Bank #3834 WAS Union Bank	647,235.80
10851 · Wells Fargo #6605 Brokerage	540,271.75
10863 · California Class #0001	263,748.60
10862 · Petty Cash	0.56
<b>Total Checking/Savings</b>	<u>1,752,732.61</u>
<b>Total Current Assets</b>	1,752,732.61
<b>Other Assets</b>	
16000 · Equipment	44,781.10
16005 · Land	21,406.42
16500 · Accumulated Depreciation	-25,617.33
<b>Total Other Assets</b>	<u>40,570.19</u>
<b>TOTAL ASSETS</b>	<u><b>1,793,302.80</b></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Credit Cards</b>	
Wells Fargo MC-Kelly #0286	281.86
Wells FargoVISA-McHugh#3694/409	23.99
<b>Total Credit Cards</b>	<u>305.85</u>
<b>Other Current Liabilities</b>	
2100 · Payroll Liabilities	1,303.04
<b>Total Other Current Liabilities</b>	<u>1,303.04</u>
<b>Total Current Liabilities</b>	<u>1,608.89</u>
<b>Total Liabilities</b>	1,608.89
<b>Equity</b>	
3000 · Opening Bal Equity	905,661.76
3901 · Retained Earnings	1,051,535.50
Net Income	-165,503.35
<b>Total Equity</b>	<u>1,791,693.91</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>1,793,302.80</b></u>

**Bell Canyon Community Services District**  
**Profit & Loss**  
**September 2024**

	<u>Sep 24</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
30200 · Interest Income	2,981.81
30300 · Income - Other	33.47
<b>Total Income</b>	<u>3,015.28</u>
<b>Expense</b>	
40003 · Outside Service/Consultants	300.00
40004 · Legal	10,220.40
40005 · Accounting	728.75
40007 · Membership Dues/Subscriptions	180.00
40009 · Miscellaneous	13.64
40014 · Commerical Trash Removal	44,778.04
40016 · CSD Vehicle Expenses	104.90
40017 · Restroom Maintenance	385.07
40500 · Office Supplies	110.92
40501 · Phone/Internet	357.05
40505 · Printing	191.93
40507 · Bank Service Charges	440.00
40508 · Rent Expense	550.00
44999 · GROSS WAGES	
45000 · Wages-General Manager	4,955.00
<b>Total 44999 · GROSS WAGES</b>	<u>4,955.00</u>
45005 · Payroll Tax Expense	505.46
<b>Total Expense</b>	<u>63,821.16</u>
<b>Net Ordinary Income</b>	<u>-60,805.88</u>
<b>Net Income</b>	<u><u>-60,805.88</u></u>



**RESOLUTION NO. 24-03**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BELL CANYON COMMUNITY SERVICES DISTRICT ESTABLISHING THE LEGAL RESOURCES POLICY**

**WHEREAS**, the Bell Canyon Community Services District is a public agency and special district established in accordance with and having the authority and powers defined in the Community Districts Law, codified under Government Code Section 61100 *et seq.* (the District’s Principal Act); and

**WHEREAS**, the Board of Directors is committed to responsible expenditures of public funds; and

**WHEREAS**, the Board of Directors now wishes to establish a legal resources policy to serve the best interests of the District.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Bell Canyon Community Service District, as follows:

**SECTION 1.** The above recitals are true and correct and incorporated herein by reference.

**SECTION 2.** The Board hereby adopts the Legal Resources Policy attached hereto as “Exhibit A”.

**SECTION 3.** This Resolution shall become effective upon the date of adoption as set forth herein.

**PASSED AND ADOPTED** on the 25<sup>th</sup> day of November 2024, by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Michael Robkin, President

ATTEST:

\_\_\_\_\_  
Walter Kelly, General Manager/Secretary

**EXHIBIT "A"**

**[See following pages]**

Bell Canyon Community Services District  
Legal Resources Policy  
Approval Date: November 25, 2024  
Revised Date:

## LEGAL RESOURCES POLICY

**Purpose:**

To explain District policy regarding when it is appropriate to contact the District General Counsel's office for legal services

**Scope:**

This Policy applies to all District personnel and elected officials

**Policy:**

The District General Counsel shall be contacted whenever there are District-related legal issues that require a legal opinion, professional legal advice, or those involving administrative or legal proceedings.

The General Manager shall be the primary contact person to communicate with the District General Counsel regarding various legal issues involving the District. At times, the Board President may also be the contact person to communicate with the General Counsel, particularly if the legal issue is time-sensitive, complex, or could significantly impact the District's rights or interests.

Other Directors of the District Board may directly contact the District General Counsel and seek a legal opinion or advice on District-related matters that generally involve legal research or analysis of up to two hours per month. This policy shall not be construed to limit the District General Counsel's legal and fiduciary duties to act in the best interest of the District and per the direction and policy of the District Board.

Name	Date	Dump Site	Dump Tons
BELL CANYON CSD	11/2/2024	A-1	1.02 Metal
BELL CANYON CSD	11/2/2024	SVG	1.05 Green
BELL CANYON CSD	11/2/2024	SVS	2.26 C&D
BELL CANYON CSD	11/2/2024	SVS	1.84 C&D
BELL CANYON CSD	11/2/2024	SVS	2.22 C&D
BELL CANYON CSD	11/2/2024	SVL	2.37 MSW
BELL CANYON CSD	11/2/2024	SVS	1.26 C&D
BELL CANYON CSD	11/2/2024	SVL	2.46 MSW
BELL CANYON CSD	11/2/2024	SVS	2.58 C&D
BELL CANYON CSD	11/2/2024	SVS	4.18 C&D
		TOTAL TONS	21.24
		TOTAL LOADS	10

SVS = 14.34 tons AT 75.80% DIVERSION = 10.86 TONS RECYCLE AND 3.48 TONS RESIDUAL  
SVL = 4.83 tons ADD 3.48 RESIDUAL TONS = 8.31 TONS TRASH  
SVG = 1.05 tons  
Metal = 1.02 tons

**Bell Canyon Community Services District**  
**Transaction Detail By Account**  
 November 6, 2023 through November 20, 2024

Accrual Basis

Type	Date	Num	Name	Memo	Amount	Balance
<b>40508 - Rent Expense</b>						
Check	11/27/2023	10103	Bell Canyon Community Center Inc.	DECEMBER	275.00	275.00
Check	11/27/2023	10103	Bell Canyon Community Center Inc.	\$20/EA MAY, JUN, JUL SUITE 1	100.00	375.00
Check	01/03/2024	10123	Bell Canyon Community Center Inc.	JANUARY	0.00	375.00
Check	01/03/2024	10123	Bell Canyon Community Center Inc.	AUG-NOV \$20x9 SUITE #1 RENT	0.00	375.00
Check	01/17/2024	10128	Bell Canyon Community Center Inc.	JANUARY	275.00	650.00
Check	01/17/2024	10128	Bell Canyon Community Center Inc.	TO BRING JAN RENT TO \$550/MO	275.00	925.00
Check	01/17/2024	10128	Bell Canyon Community Center Inc.	\$20X9 SUITE 1 AUG-NOV	180.00	1,105.00
Check	01/17/2024	10128	Bell Canyon Community Center Inc.	TO ADJUST TO JENNI'S BALANCE	-43.71	1,061.29
Check	01/17/2024	10129	Bell Canyon Community Center Inc.	NOV - RAISE TO \$550	275.00	1,336.29
Check	01/17/2024	10129	Bell Canyon Community Center Inc.	DEC - RAISE TO \$550	275.00	1,611.29
Check	02/14/2024	10131	Bell Canyon Community Center Inc.	FEB	550.00	2,161.29
Check	02/14/2024	10132	Bell Canyon Community Center Inc.	MARCH	550.00	2,711.29
Check	03/14/2024	10146	Bell Canyon Community Center Inc.	APRIL	550.00	3,261.29
Check	04/17/2024	10165	Bell Canyon Community Center Inc.	MAY	550.00	3,811.29
Check	05/15/2024	10173	Bell Canyon Community Center Inc.	JUNE	550.00	4,361.29
Check	06/14/2024	10177	Bell Canyon Community Center Inc.	JULY 2024	550.00	4,911.29
Check	07/24/2024	10198	Bell Canyon Community Center Inc.	AUGUST 2024	550.00	5,461.29
Check	07/24/2024	10198	Bell Canyon Community Center Inc.	SUITE #1: JAN 24 - 6/24/24 (7-2 IN JUNE)	140.00	5,601.29
Check	08/28/2024	10210	Bell Canyon Community Center Inc.	SEPT 2024	550.00	6,151.29
Check	09/11/2024	10217	Bell Canyon Community Center Inc.	OCT 2024	550.00	6,701.29
Check	10/09/2024	10229	Bell Canyon Community Center Inc.	NOV 2024	550.00	7,251.29
Check	11/06/2024	10243	Bell Canyon Community Center Inc.	DECEMBER 2024	550.00	7,801.29
Check	11/20/2024	10250	Bell Canyon Community Center Inc.	JAN 2025 - OCT 2026 22 MO x \$550.	12,100.00	19,901.29
<b>Total 40508 - Rent Expense</b>					<b>19,901.29</b>	<b>19,901.29</b>
<b>TOTAL</b>					<b>19,901.29</b>	<b>19,901.29</b>

**RESOLUTION NO. 24-04**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BELL CANYON COMMUNITY SERVICES DISTRICT ESTABLISHING THE INVESTMENT POLICY**

**WHEREAS**, the Bell Canyon Community Services District is a public agency and special district established in accordance with and having the authority and powers defined in the Community Districts Law, codified under Government Code Section 61100 *et seq.* (the District’s Principal Act); and

**WHEREAS**, the Board of Directors is committed to financial solvency and responsible fiscal investments of public funds; and

**WHEREAS**, the Board of Directors now wishes to establish an investment policy to serve the best interests of the District.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Bell Canyon Community Service District, as follows:

**SECTION 1.** The above recitals are true and correct and incorporated herein by reference.

**SECTION 2.** The Board hereby adopts the Investment Policy attached hereto as “Exhibit A”.

**SECTION 3.** This Resolution shall become effective upon the date of adoption as set forth herein.

**PASSED AND ADOPTED** on the 25th day of November 2024, by the following vote:

AYES:  
NOES:  
ABSENT:

\_\_\_\_\_  
Michael Robkin, President

ATTEST:

\_\_\_\_\_  
Walter Kelly, General Manager/Secretary

I, Walter Kelly, General Manager of the Bell Canyon Community Services District, Ventura County, California DO HEREBY CERTIFY that the foregoing is a true and accurate copy of the Resolution passed and adopted by the Board of Directors of the Bell Canyon Community Services District on the date and by the vote indicated herein.

**EXHIBIT "A"**

**[See following pages]**



# **BELL CANYON COMMUNITY SERVICES DISTRICT INVESTMENT POLICY**

## **I. PURPOSE**

It is the policy of the Bell Canyon Community Services District ( "District") to invest public funds in a prudent manner which will provide maximum security while meeting daily cash flow demands and conforming to all statutes governing the investment of public funds. Within these parameters, funds will be invested to protect funds and optimize investment return.

## **II. SCOPE**

This Investment Policy ("the Policy") shall apply to all financial assets of the Bell Canyon Community Services District. These funds are accounted for in the District's comprehensive annual financial report and include:

- General Fund
- Special Revenue Funds
- Capital Project Funds
- Enterprise Funds
- Internal Service Funds
- Trust and Agency Funds
- Any new fund created by the governing body, unless specifically exempted by the governing body

This Policy applies to all transactions involving the financial assets and related activity of all the foregoing funds, with the exception of the proceeds of debt issuance. Investment of bond proceeds will be governed by the permitted investment section of bond documents.

## **III. OBJECTIVES**

The District's funds shall be invested in accordance with all applicable District policies, ordinances, and codes, State statutes, and Federal regulations, and in the manner designed to accomplish the following primary objectives, in priority order:

- Preservation of capital and protection of investment principal
- Maintenance of sufficient liquidity to meet anticipated cash flows
- Diversification to avoid incurring unreasonable market risks
- Attainment of a market rate of return
- Conformance with all applicable District bylaws, State statutes governing community services districts, and any applicable Federal regulations

#### IV. STANDARD OF CARE

- A. **Prudence.** The standard of prudence to be used by investment officials shall be the “prudent investor standard” which states:

*“When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, 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.”*

Investment officers acting in accordance with written procedures and this 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 expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this Policy.

#### V. INVESTMENT AUTHORITY AND RESPONSIBILITIES

- A. **Delegation of Authority.** Authority to manage the investment program is granted to the General Manager and derived from the California Government Code Section [ 53607 ]and the Bell Canyon Community Services District [ Bylaws] . The General Manager shall also serve as the Chief Investment Officer for the District, and is authorized to invest or deposit the District’s funds in accordance with this Policy, California Government Code Sections [53600 and 53630 *et seq.*], and all other related federal and State laws.

The General Manager is responsible for the day-to-day administration and implementation of the Investment Policy.

- B. **Internal Controls.** An internal control structure shall be established and maintained to ensure that the financial assets of the District are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Internal controls shall be subject to an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping

- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian

**C. Investment Procedures.** Written investment procedures for the operation of the investment program shall be established that are consistent with this Policy. The procedures should include reference to:

- Safekeeping
- Master repurchase agreements
- Wire transfer agreements
- Banking service contracts
- Collateral/depository agreements

Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the established procedures set forth.

**D. Ethics and Conflicts of Interest.** District Board members and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Board Members and employees shall disclose to the General Manager any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio, and they shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the District.

## **VI. PROVIDERS OF FINANCIAL SERVICES**

**A. Authorized Broker/Dealers.** A list of broker/dealers from which the District purchases investments directly shall be maintained. It shall be the policy of the District to purchase securities only from those authorized firms. To be eligible, a firm must have minimum capital of \$10,000,000 and at least five years of operation. These may include "primary" dealers, financial firms that have a primary dealer within their holding company structure, or regional dealers. All must qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).

All approved broker/dealers must supply the following

annually:

- (1) Audited financial statements

- (2) Proof of Financial Industry Regulatory Authority (FINRA) registration
- (3) Proof of State registration

The District may purchase commercial paper from direct issuers even though they are not on the approved broker/dealer list as long as they meet the criteria for commercial paper in the Suitable and Authorized Investments section of this Policy.

An annual review of the minimum capital requirement and registration of qualified financial institutions and broker/dealers will be conducted.

**B. Contracted Investment Advisor Services.** The General Manager may engage the services of registered external investment advisors in regard to the District's investment program. The General Manager may, by written agreement with investment advisors, delegate the day-to-day placement of investments. Investment advisors shall make all investment decisions and transactions in strict accordance with State law and this Investment Policy.

If the District has granted to an outside investment advisor authority to buy or sell securities, the investment advisor may place orders for the execution of such transactions with the broker/dealers of its choice.

**C. Safekeeping and Custody.** One or more banks shall be selected to provide safekeeping and custodial services for the District. A Safekeeping Agreement approved by the District shall be executed with each custodian bank prior to utilizing the bank's safekeeping services. Custodian banks will be selected on the basis of their ability to provide services for the District's account and the competitive pricing of their safekeeping-related services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. All securities, except non-negotiable Certificates of Deposit, Money Market Funds, LAIF and CAMP will be delivered by book entry to be held by the District's custodian bank or its Depository Trust Company (DTC) participant account.

## VII. SUITABLE AND AUTHORIZED INVESTMENTS

All investments and deposits of the District shall be made in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686. Percentage limits and credit criteria, where listed, are applied at the time of purchase. Credit ratings, where shown, specify the minimum credit rating category required at purchase without regard to +/- or 1, 2, 3 modifiers, if any. In the event a security held by the District is subject to a credit rating change that brings it below the minimum credit ratings specified in this Policy, the District Treasurer and General Manager will review the security with the course of action to be determined on a case-by-case basis, considering such factors as the reason for the credit rating change, prognosis for recovery or further rate drops, and the market price of the security. The District has further restricted authorized investments to the following:

**A. Government Obligations.**

1. **United States Treasury** bills, notes, bonds, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest, with a final maturity not exceeding five years from the date of trade settlement.
2. **Federal Agency** or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government sponsored enterprises securities, with a final maturity not exceeding five years from the date of trade settlement. There is no limit to that amount of the District's portfolio that may be invested in Federal Agency or GSE securities.

**B. State and Local Agency Obligations.**

1. California Obligations.
  - a. *State Obligations.* Registered State warrants or treasury notes or bonds of this State, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the State or by a department, board, agency, or authority of the State. Such obligations must have a final maturity not exceeding five years from the date of trade settlement, and rated in a rating category of "BBB- at Standard & Poor's" and "Baa3 at Moody's", or the equivalent Standard & Poor's or Moody's (S&P AND MOODY'S) at the time of trade settlement.
  - b. *Local Agency Obligations.* (1) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this State, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency with a final maturity not exceeding five years from the date of trade settlement, and rated in a rating category of "BBB-" or "Baa3" or the equivalent by S&P OR MOODY'S at the time of trade settlement; and (2) Obligations of the Bell Canyon Community Services District

- C. Banker's Acceptances.** Eligible Banker's Acceptances with a maturity not exceeding 180 days from the date of trade settlement, rated in a rating category of "BBB-", or "Baa3" or the equivalent or higher by a S&P OR MOODY'S, drawn on or accepted by a commercial bank with combined capital and surplus of at least \$250 million, whose deposits are insured by the FDIC, and whose senior long-term debt is rated in a rating category of "A" or the equivalent or higher by a S&P OR

MOODY'S at the time of trade settlement. The aggregate investment in banker's acceptances shall not exceed 15% of the District's total portfolio.

- D. Commercial Paper.** Prime Commercial Paper with a maturity not exceeding 360 days from the date of trade settlement with the highest ranking or of the highest letter and number rating as provided for by a S&P AND MOODY'S. The entity that issues the commercial paper shall meet all of the following conditions in either sub-paragraph A. or sub-paragraph B. below:

A. The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of five hundred million dollars (\$500,000,000) and (3) have debt other than commercial paper, if any, that is rated in a rating category of "BBB-", "Baa3" or higher by a S&P OR MOODY'S.

B. The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program-wide credit enhancements, including, but not limited to, overcollateralization, letters of credit or a surety bond and (3) have commercial paper that is rated in a rating category of "BBB-", "Baa3" or higher, or the equivalent, by a S&P OR MOODY'S.

The aggregate investment in commercial paper shall not exceed 25% of the District's total portfolio. The District may purchase no more than 15% of the outstanding commercial paper of any single issuer.

- E. Bank Deposits.** Deposits in FDIC insured financial institutions located in California including, but not limited to, demand deposit accounts, savings accounts, market rate accounts, negotiable order of withdrawal accounts, and non-negotiable certificates of deposits are required to be collateralized as specified under Government Code. Collateral may be waived for any portion that is covered by federal deposit insurance. The amount on deposit shall not exceed the shareholder's equity of any depository bank, nor shall the deposit exceed the total net worth of any institution. In addition, the financial institution must have received a minimum overall satisfactory rating for meeting the needs of California Communities in its most recent evaluation under the Community Reinvestment Act. For non-negotiable certificates of deposit, the maximum maturity is five years from the date of trade settlement and the maximum allocation is 15% of the District's total portfolio.

- F. Medium-Term Notes.** Medium-Term Notes ("Corporate Notes") issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States, with a final maturity not exceeding five years from the trade settlement, and rated in a rating category of "BBB-", "Baa3" or the equivalent or higher by a S&P OR MOODY'S at the time of purchase. The aggregate investment in medium term notes shall not exceed 30% of the District's total portfolio.

- G. Money Market Funds.** Money Market Funds registered under the Investment Company Act of 1940 that (1) are “no-load” (meaning no commission or fee shall be charged on purchases or sales of shares); (2) have a constant daily net asset value per share of \$1.00; (3) invest only in the securities and obligations authorized in this Policy and (4) have a rating of “AAA” or the equivalent by S&P OR MOODY’Ss. The aggregate investment in money market funds shall not exceed 2% of the District’s total portfolio and no more than 15% may be invested in any one Money Market Fund.
- H. Local Government Investment Pools.** State of California’s Local Agency Investment Fund (LAIF) and shares of beneficial interest issued by a joint powers authority such as the California Asset Management Program (CAMP), as authorized respectively in Government Code Sections 16429.1 and 53601 (p), up to the maximum allowed by the pools.
- I. Due Diligence Requirement.** A thorough investigation of an investment pool is required prior to investing and on a continual basis. At a minimum, the following information shall be required for each pool:
- A description of eligible investment securities, and a written statement of investment policy and objectives
  - A description of interest calculations, how interest is distributed, and how gains and losses are treated
  - A description of how these securities are safeguarded (including the settlement process), and how often these securities are priced and the program audited
  - A description of who may invest in the program, how often, and the size of deposits and withdrawals
  - A schedule for receiving statements and portfolio listings
  - A fee schedule, and when, if and how fees are assessed
- J. Legislative Changes.** Any State of California legislative action that further restricts allowable maturities, investment types or percentage allocations will be incorporated into this Policy and supersede any and all previous applicable language. If the District is holding an investment that is subsequently prohibited by a legislative change, the District may hold that investment until the maturity date to avoid an unnecessary loss.

## **VIII. INVESTMENT PARAMETERS**

- A. Diversification.** The District shall diversify the investments within the portfolio to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. The asset allocation in the portfolio should be flexible depending upon the outlook for the economy, the securities markets, and the District’s anticipated cash flow needs. Notwithstanding anything herein to the contrary, no more than 15% of the District’s total portfolio

may be deposited with or invested in securities issued by one corporate, financial, or municipal issuer with the exception of the U.S. Treasury, federal agency institutions, government sponsored enterprises, and investment pools.

- B. Maximum Maturities.** To the extent possible, the District shall attempt to match its investments with anticipated cash flow requirements and known future liabilities. The District will invest in securities maturing within two years from the date of trade settlement.
- C. Sale of Investments Prior to Maturity.** District recognizes that investments occasionally may be sold prior to maturity and measured losses may be desirable in a diversified portfolio as long as such sales are consistent with the overall objectives of the District and the guidelines established by this Policy. Such sales shall be considered within the context of the overall portfolio's return, provided that the sale of a security is in the best long term interest of the District.

## **IX. EVALUATION OF INVESTMENT PERFORMANCE**

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. An appropriate performance benchmark shall be established against which portfolio performance shall be compared on a regular basis. The selected performance shall be representative of the District's overall investment objectives and liquidity requirements.

## **X. REPORTING**

The General Manager/Treasurer shall prepare and present a quarterly investment report to the District Board. This report will include the following elements relative to the investments held at quarter-end:

- Type of Investment
- Issuer of Investment
- Maturity date
- Coupon rate
- Yield to maturity
- Face value
- Market value
- A list of monthly transactions
- A description of investments that are under the management of contracted parties
- A statement of compliance of the District's portfolio with this Policy
- A statement of the District's ability to meet expenditure requirements for the following six months
- Other information regarding the District's portfolio as appropriate



**XI. POLICY REVIEW AND ADOPTION**

This Investment Policy shall be submitted annually to the District Board for adoption. The Policy shall be reviewed at least annually to ensure its consistency with the overall objectives of the District and its relevance to current law and financial and economic trends. Any modifications made thereto must be approved by the District Board.

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