

TIM MAGGIORE
President
Division III

LARRY ENOS, JR
Director
Division I

MARK MAGGIORE
Director
Division II

AMANJIT SINGH SANDHU
Director
Division IV



CHARLES TUSO
Director
Division V

TOM PEREIRA
Director
Division VI

JACK ALVAREZ
Director
Division VII

EDWIN PATTISON
Interim General Manager

AGENDA

Finance Committee Meeting

December 13, 2022

9:00 AM

The Board may act on any of the items listed on this agenda regardless of whether an item is described as an action item, a report, or an informational or discussion item. As provided under Government Code section 54954.3, subdivision (a), during a Regular Meeting members of the public may address the Board concerning any item on the agenda or on any matter within the jurisdiction of the Byron-Bethany Irrigation District by filling out a speaker request form, available at the Auditorium entrance, and submitting the speaker form to the District Secretary/General Manager. Comments will be taken during the "Public Comment" section of the agenda.

This facility complies with the Americans with Disabilities Act. If any special accommodations are needed for you to participate, please contact the District Secretary/General Manager as soon as possible.

Agendas, agenda-packet materials, and other supporting documents are available for inspection at the District headquarters. A fee will be charged for copies.

Food will be available for staff and Board members during the half-hour before the Board meeting. If Board members are present, they will not discuss District business.

I. ROLL CALL

II. ADOPTION OF THE AGENDA

III. PUBLIC COMMENT (Please observe a two-minute time limit)

This section of the agenda is provided so that the public may express comments on any item on the agenda or on matters within the District's jurisdiction not listed on the agenda. Unless extended by the Board President, public comment is limited to no more than two (2) minutes per person, twenty (20) minutes total for all speakers. Board members may refer a matter to staff, or follow Board procedures to direct staff to place a matter of business on a future agenda.

IV. CONSENT CALENDAR

The following items are expected to be routine and non-controversial and can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any Director.

1. Approve meeting minutes from November 22, 2022 Finance Committee meeting.

V. DISCUSSION/ACTION CALENDAR

Draft Investment Policy Review
Review of Reserve Policy
Financial Investment Presentation

VI. REPORTS / DIRECTOR COMMENTS

Directors
Interim General Manager
General Counsel

VII. ADJOURNMENT

TIM MAGGIORE
President
Division III

LARRY ENOS, JR
Director
Division I

MARK MAGGIORE
Director
Division II

AMANJIT SINGH SANDHU
Director
Division IV



AGENDA ITEM NO: 1

CHARLES TUSO
Director
Division V

TOM PEREIRA
Director
Division VI

JACK ALVAREZ
Vice President
Division VII

EDWIN PATTISON
Interim General Manager

MINUTE SUMMARY

Finance Meeting of the Board of Directors
In Person or Video Conference Meeting
Tuesday, November 22, 2022
8:00 AM

Call-in Information:

Meeting ID: Join Zoom Meeting

<https://us02web.zoom.us/j/8458078863>

Meeting ID: 845 807 8863

Call In Number

1-669-900-6833,,8458078863#

CALL TO ORDER – ROLL CALL 8:05 a.m.

ADOPTION OF THE AGENDA

PUBLIC COMMENT *(Please observe a three-minute time limit)*

This section of the agenda is provided so that the public may express comments on any item within the District's jurisdiction not listed on the agenda. Board members may refer a matter to staff, or follow Board procedures to direct staff to place a matter of business on a future agenda. The public may express comments on agenda items at the time of Board consideration.

CONSENT CALENDAR

None

DISCUSSION/ACTION CALENDAR

1. Financial Investment Presentation; Mark Edelman, King Capital Advisors presented investment opportunities to the BBID Board of Directors to consider the increased potential for investment opportunities considering the following criteria: safety, liquidity, and return of investment. The Board directed staff to bring this item back for consideration to adopt at the next Board meeting.

2. Budget Planning for Calendar Year 2023; Mr. Edwin Pattison, Interim General Manager, presented a draft budget for Calendar Year 2023 showing projected revenues and expenses and staffing needs. Mr. Jeremy Borchardt, District Engineer, and Mr. Edwin Pattison, Interim General Manager, presented capital improvement needs for the upcoming budget cycle.

REPORTS / DIRECTOR COMMENTS

None

ADJOURNMENT 9:53 a.m.

Submitted on November 28, 2022

Approved on December 13, 2022

/s/ Ilona Ruiz
Ms. Ilona Ruiz, Board Secretary

/s/ Timothy Maggiore
Mr. Timothy Maggiore, President

ATTENDANCE

Directors Present:

Tom Pereira	Division VI
Tim Maggiore	Division III
Jack Alvarez	Division VII

Staff/Consultants/Present

Ed Pattison, Interim General Manager
Jerimy Borchardt, Hazen & Sawyer
David Vaz, O&M Supervisor
Mark Edelman, King Capital Advisors
Ilona Ruiz, Board Secretary

INVESTMENT POLICY FOR SPECIAL DEPOSITS

OVERVIEW

This Investment Policy for Special Deposits (the “Deposit Investment Policy”) was approved by the Byron-Bethany Irrigation District (BBID or District) Board of Directors on [DATE]. The Deposit Investment Policy may be amended by the Board as it deems appropriate from time to time in the prudent investment of the District’s special deposits.

Policy Statement - The District is guided by three objectives in its investment of public funds. In order of priority those objectives are:

- 1.1. Safeguarding of principal.
 - 1.2. Ensuring that investments satisfy the liquidity needs of the District.
 - 1.3. Obtaining an optimal rate return on available assets, commensurate with an appropriate level of risk.
2. **Scope** - This investment policy applies to all special deposit funds not required for the immediate operating needs of the District and are accounted for in the District’s monthly financial report.
3. **Objectives**: The priority ranked objectives of the District’s investment activities shall be:
- 3.1. **Legality**. Investments shall only be made in securities legally permissible by the California Government Code, Sections 53635, 53635.2 et seq.
 - 3.2. **Safety**. Investments shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. To attain this objective, diversification is required. Investments must be made in securities of high quality to avoid credit risk and loss of principal.
 - 3.3. **Liquidity**. The investment portfolio must remain sufficiently liquid to enable the District to meet all foreseeable operating requirements.
 - 3.4. **Return on Investment**. The investment portfolio shall be designed with the objective of attaining a market rate of return, taking into consideration policy objectives and cash flow characteristics of the portfolio.
4. **Delegation of Authority** - The Board of Directors is responsible for the management and oversight of the investment program. Day to day management responsibility for the investment program is delegated to the District’s General Manager, who will ensure that the investment program is in accord with the Board’s directives. The General Manager shall be responsible for all transactions undertaken and will establish a system of controls to regulate the activities of appropriate staff members.

5. **Prudence** - Investments shall be made with time relevant judgment and care, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, and not for speculation, but for investment, considering the probable safety of principal as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio with aims to safeguard the principal and maintain the liquidity needs of the agency. The prudent investor standard states that 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 District, 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.
6. **Borrowing for Purposes of Making Investments** - Management is prohibited from the practice of borrowing for the sole purpose of making investments.
7. **Authorized Investments and Limits** - The General Manager or his/her designee may only invest funds in the following secure and reliable permitted investments:
 - 7.1. Investment in the California Local Agency Investment Fund (LAIF). Funds shall be placed in LAIF as alternative liquid investments under this policy.
 - 7.2. Shares of Beneficial Interest issued by diversified management companies, otherwise known as Mutual Funds, investing in the securities and obligations as authorized by the California Government Code, sections 53601 et seq.
 - 7.3. United States Treasury Bills, Notes, Certificates of Indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
 - 7.4. Savings Accounts or Certificates of Deposit issued by a nationally or state chartered bank, or, savings association fully insured by the FDIC or FSLIC.
 - 7.5. Deposit of funds in the County of San Joaquin Treasury Investment Pool.
 - 7.6. U.S. Federal Agency or United States government-sponsored enterprise obligations, participations or other instruments issued by the Government National Mortgage Association (GNMA), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Association (FHLMC), the Federal Farm Credit System (FFCB), and the Federal Agricultural Mortgage Company/Farmer Mac (FAMCA).
 - 7.7. Medium Term Corporate Notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state

operating within the United States. Notes eligible for investments under this subdivision shall be rated “A” or better by a nationally recognized rating service.

8. **Maximum Maturities** - To the extent possible, investments shall be made to match anticipated cash flow requirements. Furthermore, no investment with a term in excess of five years may be made.
9. **Internal Control** - As part of the District’s annual independent audit, the investment program shall be reviewed for appropriate internal controls that provide assurance of compliance with policies and procedures.
10. **Reporting** - The General Manager shall provide the Board of Directors with a quarterly report of investment activity verifying that the investment portfolio is in compliance with the District’s investment policy. The report will also include a statement indicating the District’s ability to meet its expenditure requirements for the ensuing six months or to provide an explanation as to why sufficient funds shall not or will not be available.
11. **Ethics and Conflicts of Interest** – Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions.
12. **Investment Policy Review** - The Board of Directors shall review the investment policy annually. The Board shall accept and approve the investment policy and any changes.