TUOLUMNE UTILITIES DISTRICT
18885 NUGGET BLVD ● SONORA, CA 95370
(209) 532-5536 ● Fax (209) 536-6485

DIRECTORS
Barbara Balen
David Boatright
Jeff Kerns
Lisa Murphy
Ron W. Ringen

Regular Board Meeting Agenda
Tuesday, February 8, 2022 - 9:00 a.m.
TUD Board Room
18885 Nugget Blvd., Sonora, California

In order to protect public health and the safety of our Tuolumne Utilities District ratepayers and members of the public against the COVID-19 pandemic, the TUD office and Board Meetings are physically closed to the public. Please see paragraphs below for additional information.

Notice: This meeting will be held in accordance with the Governor's State of Emergency, declared on March 4, 2020; Cal/OSHA's recommendations for social distancing; the Ralph M. Brown Act (California Government Code section 54950, et seq.) as amended by Assembly Bill 361; and the Federal Americans with Disabilities Act. No physical public meeting location will be provided for this meeting. Instead, the Board will hold this meeting telephonically using Zoom. All members of the public may observe and participate in the meeting:

- **Via video conferencing at:**
  https://us02web.zoom.us/j/84966691063?pwd=SmN5b1RNc2tOMmh0a0ppcUl5TFIrQT09
- **Via teleconference by calling (253) 215-8782 or (301) 715-8592**
- **US Meeting ID: 849 6669 1063**
- **Password: 490372**
- **Public may also observe and listen to this meeting through the District's website at https://tudwater.com/board-of-directors/meeting-agenda-minutes-video/**
  Or on TUD's YouTube Channel at Tuolumne Utilities District - YouTube

Call to Order

Pledge of Allegiance

I. **Public Forum** - (5 minutes per item maximum) We would like to welcome the members of the public who have taken the time to attend this meeting and provide comments on matters related to District business. Any member of the public may address the Board relating to any matter within the Board's jurisdiction. This need not be related to any item on the agenda; however, the Board cannot act on an item unless it was noticed on the agenda. Persons speaking during the Public Comment will be limited to five (5) minutes or depending on the number of persons wishing to speak, it may be reduced to allow all members of the public the opportunity to address the Board.

II. **Consent Calendar**

1. Minutes of the Regular Board Meeting of January 25, 2022 and Special Board Meeting of February 2, 2022
2. Approval of Reimbursement Claims for Directors Statement of Meetings Attended and/or Travel Expenses and Claim Summary for January 2022
3. Consider Adopting a Resolution Making Findings in Support of Continuing Remote Meetings Pursuant to AB 361

III. **Regular Business**

4. Consider Approving a Resolution Adopting the District Investment Policy
5. Public Hearing: Consider the Proposal to Establish Five (5) District Boundaries for District-Based Elections

IV. **Staff Reports**

V. **Directors Communication and Reports**

Adjournment

Note: *Agenda Material can be viewed at our website at www.tudwater.com.*

Board Policy limits Board meetings to a duration of three (3) hours; however, the Board may consider whether to extend the meeting beyond three (3) hours by majority vote.

In accordance with the Americans with Disabilities Act, if you need special assistance (i.e. auxiliary aids or services) in order to participate in this public meeting, please contact the Clerk of the Board, Melissa McMullen, and (209) 532-5536 ext. 510. Notifications 48 hours prior to the start of the meeting will enable the Clerk to make reasonable accommodations to ensure accessibility to this public meeting.

TUOLUMNE UTILITIES DISTRICT

Agenda Item No.II.1

MEMORANDUM

Board Meeting of February 8, 2022

To: Tuolumne Utilities District Board of Directors

From: Melissa McMullen, Executive Secretary/Board Clerk

Agenda Section: Consent Calendar

Subject: Minutes of the Regular Board Meeting of January 25, 2022 and Special Board Meeting of February 2, 2022

Summary

Recommendation:

Approve the minutes as presented.

Issue: N/A

Fiscal Impact: N/A

Previously Related Action: N/A

Committee Status: N/A

Adherence to Policy: N/A

Discussion

Attachments:

- January 25, 2022 Regular Board Meeting Minutes
- February 2, 2022 Special Board Meeting Minutes

Board Action:	Resolution No. _____	Motion by _____	Second by _____
	Ayes: _____	Noes: _____	
	Absent: _____	Abstained: _____	Recuse: _____

TUOLUMNE UTILITIES DISTRICT
REGULAR MEETING MINUTES
JANUARY 25, 2022

A regular meeting of the Board of Directors of Tuolumne Utilities District convened at 9:00 a.m. at the District Office, 18885 Nugget Blvd., Sonora, California.

This meeting was held in accordance with the Governor's State of Emergency, declared on March 4, 2020; Cal/OSHA's recommendations for social distancing; the Ralph M. Brown Act (California Government Code section 54950, et seq.) as amended by Assembly Bill 361; and the Federal Americans with Disabilities Act. No physical public meeting location was provided for this meeting. Instead, the Board held this meeting telephonically using Zoom. Members of the public were able to speak and provide oral comments during the meeting.

A verbal roll call was conducted by Melissa McMullen, Board Clerk.

Melissa McMullen, Board Clerk, conducted all voting by verbal roll call.

The following Directors and staff were present:

Director Balen, President
Director Kerns, Vice President
Director Boatright
Director Murphy
Director Ringen

Don Perkins, General Manager
Erik Johnson, District Engineer
Steve Sheffield, Finance Director
Abby Parcon, Administrative Services Director
Eric Hall, Operations Director
Jennifer Batt, Associate Engineer
Melissa McMullen, Executive Secretary/Board Clerk
Jesse Barton, District Counsel

Call to Order
Pledge of Allegiance

I. Public Forum

No public comment was heard.

II. Consent Calendar

1. Minutes of the Regular Board Meeting of January 11, 2022

2. Investment Report as of December 31, 2021

No public comment was heard.

Director Kerns moved to approved the Consent Calendar. Director Ringen seconded the motion and it was approved (4-0).
Ayes: Balen, Kerns, Murphy, Ringen
Absent: Boatright

III. Regular Business

3. Presentation by Redistricting Services – 2020 Census Results District Profiles

Don Perkins introduced Matt Rexroad, Redistricting Services. Mr. Rexroad presented a PowerPoint that outlined the process of districting, the difference between districting and redistricting, and going from an At-Large Election process to Elections by District/Division.

Director Boatright joined the meeting at 9:11 a.m.

Public comment was heard.

4. Consider Adopting a Resolution Recognizing Mrs. Terry Cox for her Contributions to the District as Tuolumne County's Community Development Block Grant Coordinator

Erik Johnson presented the Resolution recognizing Mrs. Terry Cox for her contributions to the District as Tuolumne County's Community Development Block Grant Coordinator.

No public comment was heard.

The Board and staff expressed their appreciation for Mrs. Cox.

Terry Cox addressed the Board thanking the Board and staff and providing comments on the future of grant funding for District projects.

Director Murphy moved to adopt Resolution No. 3-22 Recognizing Mrs. Terry Cox for her Contributions to the District as Tuolumne County's Community Development Block Grant Coordinator. Director Boatright seconded the motion and it was approved unanimously.

5. Operational Update on the Water and Wastewater Departments December 2021

Eric Hall presented an Operational Update on the Water and Wastewater Departments for December 2021 and responded to questions.

No public comment was heard.

6. Sonora Regional Wastewater Treatment Project – Monthly Progress Report

Erik Johnson and Jennifer Batt provided a progress report summary of the work done at the Sonora Regional Wastewater Treatment Project and responded to questions.

No public comment was heard.

IV. Staff Reports

Don Perkins reported on the following items:
-Attended Phoenix relicensing stakeholder meetings
-Erik Johnson and myself met with Muller Mutual to continue discussion regarding a possible consolidation project
-January 20, 2022: Motherlode Views taping with President Balen
-January 25, 2022: Will be attending the City of Sonora Oversight Board meeting

Steve Sheffield reported on the following items:
-Provided an update regarding disconnection of services due to non-payment

Erik Johnson reported on the following items:
-Don Perkins and myself met with Muller Mutual to continue discussion regarding a possible consolidation project
-Met with Tuolumne County to discuss road conditions and paving coordination
-Update on the Curtis Creek Elementary School Water Main Extension project and bid opening

Abby Parcon reported on the following items:
-Provided an update on Communication Consultants - Raftelis

V. Directors Communication and Reports

Director Ringen reported on the following items:
-January 13, 2022: Attended the City of Sonora Energy Action Plan (EAP) meeting
-January 18, 2022: Attended the TUD EN2 Kickoff meeting
-January 20, 2022: Attended the Mountain Counties Water Resources Association (MCWRA) Legislative Committee meeting
-Will be meeting with the Communication Consultants, Raftelis, next week

VI. Closed Session

No public comment was heard.

Before going into Closed Session, Director Kerns stated that he will only participate in Closed Session Item (a) as he has a conflict in Item (b). (His business has performed title services for the parties listed.)

President Balen recessed the meeting to Closed Session at 11:28 a.m.

a. Conference with Real Property Negotiators Pursuant to Government Code Section 54956.8 Property: APN # 059-580-002 Agency Negotiators: Don Perkins, Erik Johnson Other Party to Negotiations: Mike McCabe, Mill Villa MHC, LLC Under Negotiation: Price and Terms of Payment

Director Kerns recused himself at 1:00 p.m. before consideration of Item VI.b because his business has provided services for the parties listed.

b. Conference with Real Property Negotiators Pursuant to Government Code Section 54956.8 Property: APN # 083-200-002-000 Agency Negotiators: Don Perkins, Erik Johnson Other Party to Negotiations: Christopher Hatler Under Negotiation: Price and Terms of Payment

VII. Reconvene to Open Session

c. Closed Session Disclosure

President Balen reconvened the meeting to Open Session at 1:12 p.m. with no reportable action taken during Closed Session.

Adjournment

The meeting was adjourned at 1:12 p.m.

Date: February 8, 2022

ATTEST:

Barbara Balen, President
Board of Directors

Melissa McMullen,
Executive Secretary/Board Clerk

TUOLUMNE UTILITIES DISTRICT
SPECIAL MEETING MINUTES
FEBRUARY 2, 2022

A special meeting of the Board of Directors of Tuolumne Utilities District convened at 1:00 p.m. at the District Office, 18885 Nugget Blvd., Sonora, California.

This meeting was held in accordance with the Governor's State of Emergency, declared on March 4, 2020; Cal/OSHA's recommendations for social distancing; the Ralph M. Brown Act (California Government Code section 54950, et seq.) as amended by Assembly Bill 361; and the Federal Americans with Disabilities Act. No physical public meeting location was provided for this meeting. Instead, the Board held this meeting telephonically using Zoom. Members of the public were able to speak and provide oral comments during the meeting.

A verbal roll call was conducted by Melissa McMullen, Executive Secretary/Board Clerk.

The following Directors and staff were present:

Director Balen, President
Director Kerns, Vice President
Director Boatright
Director Murphy
Director Ringen

Don Perkins, General Manager
Erik Johnson, District Engineer
Steve Sheffield, Finance Director
Abby Parcon, Administrative Services Director
Melissa McMullen, Executive Secretary/Board Clerk
Lisa Westbrook, Community Affairs Specialist
Jesse Barton, District Counsel
Glen Nunnelley, Senior Engineer

Call to Order

Pledge of Allegiance

I. Public Forum

No public comment was heard.

II. Closed Session

a. Conference with Real Property Negotiators Pursuant to Government Code Section 54956.8 Property: APN # 085-050-001 et. Al Agency Negotiators: Don Perkins, Jesse Barton and Tom Johnson Other Party to Negotiations: Mike Schonherr, Pacific Gas and Electric Co. Under Negotiation: Price and Terms of Payment
No public comment was heard.

President Balen recessed the meeting to Closed Session at 1:06 p.m.

III. Reconvene to Open Session

b. Closed Session Disclosure

President Balen reconvened the meeting to Open Session at 2:50 p.m. with no reportable action taken during Closed Session.

Adjournment

The meeting was adjourned at 2:50 p.m.

Date: February 8, 2022

ATTEST:

Barbara Balen, President
Board of Directors

Melissa McMullen,
Executive Secretary/Board Clerk

TUOLUMNE UTILITIES DISTRICT

Agenda Item No.II.2

MEMORANDUM

Board Meeting of February 8, 2022

To: Tuolumne Utilities Board of Directors

From: Stephen M. Sheffield, CPA, Finance Director

Agenda Section: Consent Calendar

Subject: Approval of Reimbursement Claims for Directors Statement of Meetings Attended and/or Travel Expenses and Claim Summary for January 2022

Summary

Recommendation: Approve reimbursement claims for Directors Statement of Meetings Attended and/or Travel Expenses and Claim Summary for January 2022.

Issue: Items and services are purchased pursuant to Board policy as they are contained in the budget. The Claim Summary is a list of all checks paid for the month of December for such items.

Fiscal Impact: The claim summary consists of 20 pages totaling $2,404,823.69.

Previously Related Action: not applicable.

Committee Status: not applicable.

Adherence to Policy: not applicable

Discussion

Attachments:

- Directors Statement of Meetings Attended and Travel Expenses
- Claim Summary

Board Action:	Resolution No. _____	Motion by _____ Second by _____
	Ayes: _____	Noes: _____
	Absent: _____	Abstained: _____ Recuse: _____

Directors Monthly Statement of Meetings Attended
and Travel Expenses Through January 30, 2022
FISCAL YEAR 2022

	BALEN	BOATRIGHT	KERNS	MURPHY	RINGEN	TOTAL
BEGINNING BALANCES	$ 4,200	$ 2,400	$ 3,092	$ 2,900	$ 3,931	$ 16,524
JANUARY						
Meetings	-	200	200	-	-	400
JANUARY TOTALS	-	200	200	-	-	400
YEAR TO DATE BALANCES	$ 4,200	$ 2,600	$ 3,292	$ 2,900	$ 3,931	$ 16,924

RECEIVED JAN 1 1 2022

TUOLUMNE UTILITIES DISTRICT

Board of Directors

Statement of Meetings Attended

For the Month of December **, 202** 1

Date	Meetings compensable pursuant to Water Code §30507	Payment Amount
12/14/21	Regular Board Meeting	$ 100.00
12/16/21	Special Board Meeting	$ 100.00

2

Date	Meetings Attended with No Compensation

David L Boatright Digitally signed by David L Boatright Date: 2022.01.11 10:00:53 -08'00'

Director Signature

PAID JAN 1 4 2022
Date Paid:

David Boatright

Printed Name

RECEIVED JAN 0 3 2022

TUOLUMNE UTILITIES DISTRICT

Board of Directors

Statement of Meetings Attended

For the Month of December **, 202** 1

Date	Meetings compensable pursuant to Water Code §30507	Payment Amount
12/14/21	Regular Board Meeting	$ 100.00
12/16/21	Special Board Meeting-PGE	$ 100.00

2

Date	Meetings Attended with No Compensation

12/29/2021

Director Signature

PAID JAN 14 2022
Date Paid:

Jeff Kerns
Printed Name

TRIAL MODE - Click here for more information

Tuolumne Utilities District, CA

Claim Summary

By Vendor Name

Date Range: 01/01/2022 - 01/31/2022

Vendor Name	Payable Description	Payable Amount	Payment Amount
29th District Agricultural Association			104.39
	Sewer Electrical Charges	104.39	
Aaron Pingree			614.88
	RHI	614.88	
Acme Rigging & Supply Co.			494.18
	Swivel style 1/2" 15000 lb #676015	494.18	
ACWA/JPIA - Employee Benefits			12,597.33
	Dental/Vision/Life/EAP February 2022	12,597.33	
ACWA/JPIA - Insurance Premium			31,824.60
	Workers' Compensation Qtr 2 10/1/2021 - 12/31/2021	31,824.60	
Alley Tree & Landscape, Inc.			800.00
	Phoenix Lake SLS Tree Pruning	800.00	
Amazon Web Services, Inc.			237.93
	Off site data storage backup	237.93	
American Highway Products, LTD.			301.49
	Riser rings for raising sewer manholes.	301.49	
Amos Screen Printing & Embroidery Inc.			720.72
	TUD Logo Hats	720.72	
Aqua Sierra Control, Inc.			780.00
	Troubleshoot of Telemetry Failure	185.00	
	Upgrade of the Ht4 SCADA Server	595.00	
AT&T Mobility			23.83
	AT&T Mobility	23.83	
AT&T			69.55
	Acct# 297907803	69.55	
AT&T			35.37
	Rancho Poquito Circuit - 0699	35.37	
AT&T			1,695.78
	Managed VPN Fiber - WW	1,695.78	
AT&T			948.32
	Main Office Internet	948.32	

Vendor Name	Payable Description	Payable Amount	Payment Amount
AT&T			137.46
	Phone Service	137.46	
Avery Muffler Service			249.89
	2-5/16" Pintle Hitch and Mount Bracket	249.89	
Bank of America			5,904.19
	Clorox Wipes, Hand Sanitizer & Desk Trash Cans	55.90	
	Inspection Software Ineosyte	19.99	
	Graphic Design App-VISA Paid	120.04	
	Business Cards-3 Orders VISA Paid	77.18	
	650 APC Battery Backups	258.56	
	Utica Power Authority Meeting	38.13	
	Wired Headphones	15.48	
	Ammonia Test Kits	(72.30)	
	Columbia Watertight Jackets	125.81	
	Columbia Watertight Jackets	251.50	
	Canon MC-30 Maintenance Cartridge	91.16	
	36"x24" Magnetic Dry Erase Board	36.36	
	Ammonia Test Kits	53.55	
	47" Computer Desk	107.24	
	Sharp EL-1197PIII Desk Calculators	160.44	
	Cedar Rock 6-30 psig Pressure Switch	113.69	
	Grab n Go employee appreciation	1,068.96	
	1-1/3HP Capacitor-Start Belt Drive Motor	493.92	
	DOT Clearinghouse Queries 2022	125.00	
	Appreciation Luncheon	15.85	
	Digital Subscription-Sacramento Bee	21.99	
	72"x1" Digging Bars	90.51	
	Electronic GAAFR Subscription Renewal	129.00	
	Grab n Go supplies	62.24	
	RetainPro Renewal	457.00	
	410 A printer ink	597.97	
	Grab n Go supplies	49.68	
	Microsoft 5050 Wireless keyboard & Mouse	78.28	
	HON Brigade 2-Shelf Standard Bookcase	134.05	
	Raken Inspection App Software	37.00	
	FY 2022 Mail Chimp Subscription Plan-VISA Charge	87.99	
	Chest High Breathable Waders	1,002.02	
Bay City Equipment Industries, Inc			15,427.92
	Kohler LP Generator Cedar Rock Pump Station	15,427.92	
Behee Enterprises, Inc.			8,620.00
	Water Quality Testing	8,620.00	
Behee Enterprises, Inc.			6,835.00
	Water Quality Testing	6,835.00	
Betzler Heating & Air			384.91
	GM Office Heater Repair Parts/Labor	384.91	
Black Water Consulting Engineers, Inc.			59,599.00
	Curtis Creek water main project (grant funded)	59,599.00	

Vendor Name	Payable Description	Payable Amount	Payment Amount
Blue Mountain Minerals			96.66
	Wash sand	96.66	
Blue Mountain Minerals			110.22
	1.5" road base	110.22	
Bob Slater			614.88
	RHI	614.88	
Brad Keefe			1,965.02
	RHI	1,965.02	
Brenda Seldon			614.88
	RHI	614.88	
Brenntag Pacific, Inc.			1,563.34
	Brenntag Order 12/10/2021 DP	1,563.34	
BSK Associates			696.00
	Alkalinity/Iron/Manganese/Toc Water Testing	540.00	
	Alkalinity/Iron/Manganese/Toc Water Testing	156.00	
BSK Associates			270.00
	Alkalinity/Iron/Manganese/Toc Water Testing	270.00	
BSK Associates			426.00
	EPA 505/524.2, Nitrate-N, Perchlorate & Title 22	426.00	
C&W Plumbing Supply			92.00
	River rock	92.00	
Cal.net Inc.			299.61
	Account# 30563 Big Hill WTP internet	94.87	
	Account# 32781 Quartz internet	109.87	
	Account# 30443 Monte Grande WTP internet	94.87	
Cal.net Inc.			369.74
	Account# 30445 Tuolumne WTP internet	94.87	
	Sonora WTP Internet	274.87	
California Advocates, Inc.			5,115.50
	State Affairs Advocacy	5,115.50	
Carbon Copy, Inc.			104.91
	Copy Machines	75.57	
	Copy Machine	29.34	
Carbon Copy, Inc.			778.77
	Copy Machines - Toner	284.63	
	Water copier - toner	494.14	
Carollo Engineers, Inc			6,091.50
	Sonora Condition Assessment- Carollo Engineers	6,091.50	

Vendor Name	Payable Description	Payable Amount	Payment Amount
CD-DATA			4,564.45
	ParcelQuest Renewal	4,564.45	
Cellco Partnership			814.18
	Verizon Smartphones	535.67	
	Verizon phones	185.16	
	Verizon cell service	93.35	
Center For Hearing Health, Inc.			496.00
	Hearing Conservation-Hearing Testing	496.00	
Charles Hunter			1,965.02
	RHI	1,965.02	
Check Processors, Inc.			946.80
	Lockbox services	946.80	
Cheryl Scesa			232.94
	RHI	232.94	
Cintas Corporation #3			1,663.66
	Uniform Laundry Service	154.26	
	Uniform Laundry Service	677.57	
	Uniform Laundry Service	154.26	
	Uniform Laundry Service	677.57	
Cintas Corporation #3			1,674.72
	Uniform Laundry Service	154.26	
	Uniform Laundry Service	677.57	
	Uniform Laundry Service	154.26	
	Uniform Laundry Service	688.63	
Clarke Broadcasting Corp.			475.00
	Top Banner Leaderboard Advertising - Link	475.00	
Cody Fleischer			1,107.50
	Refund hydrant meter deposit - Krysta Ct	1,107.50	
Coffee Break Service			303.21
	Coffee & Supplies Service	117.96	
	Coffee & Supplies Service	185.25	
Cole-Parmer Instrument Company			571.33
	Dispenser for Free Chlorine 10ml	571.33	
Colleen Leslie			423.00
	Refund hydrant meter - Stryker Ct	423.00	
Columbia Communications			480.00
	Radio Service	480.00	

Vendor Name	Payable Description	Payable Amount	Payment Amount
Columbia Sky Mobile Estates			37.77
	Electric Utility	27.91	
	Electric Utility	9.86	
Comcast			543.29
	Monthly 1GB Internet Backup	370.48	
	Billing fax line & SCADA line	172.81	
Comcast			1,463.20
	Monthly VOIP Phone System	1,463.20	
Condor Earth Technologies, Inc			9,312.93
	Condor SWPPP	9,312.93	
Condor Earth Technologies, Inc			2,251.25
	Quartz groundwater monitoring Aug. 21'- Oct. 21'	2,251.25	
Contractor Compliance and Monitoring,			214.00
	Labor Compliance Phoenix Lake Restoration	157.00	
	Labor Compliance Phoenix Lake Restoration	57.00	
Craig Hallmeyer			232.94
	RHI	232.94	
CSK Auto, Inc.			355.09
	Truck 225 Snow Chains	148.63	
	Truck 245 Battery & Core	206.46	
D2, Inc.			640.28
	#221 Crossover tool box	640.28	
David Boatright			1,289.95
	RHI	1,289.95	
David Gracia			1,965.02
	RHI	1,965.02	
David Peterson			154.72
	Shop tools	154.72	
Debco Automotive Supply			401.12
	Chains for truck 240	182.08	
	Truck 215 Tire Chain Tighteners	68.13	
	Snow Chain Tighteners	96.72	
	Gen 503 Starter Bolt	11.35	
	Gen 503 Starter and Core	63.58	
	Gen 503 Starter and Core	(63.58)	
	Truck 200 Drive Belt Tensioner`	42.84	
Debco Automotive Supply			111.71
	#155 Water hose	111.71	
Debco Automotive Supply			414.56
	5 gallon gas can	30.02	

Vendor Name	Payable Description	Payable Amount	Payment Amount
	#203 replace mirror and door lock	175.09	
	Filter inventory	8.99	
	#236 Rear brakes	61.12	
	#206 parts	81.26	
	#239 Brake pedal	10.90	
	#240 Lift gate hose	47.18	
Debco Automotive Supply			728.07
	#155 High pressure water hose	347.77	
	#220 Serpentine drive belt	27.36	
	Oil & filter inventory	152.57	
	#203 Brake job	177.01	
	#203 Rear axle seal	23.36	
Del-Tech Geotechnical Support Services			4,406.00
	Monitoring Well Sampling	4,406.00	
Dennis Artzer			614.88
	RHI	614.88	
Dennis Hart			1,965.02
	RHI	1,965.02	
Doherty Tire of Sonora, Inc.			30.00
	Truck 212 Flat Tire Repair	30.00	
Doherty Tire of Sonora, Inc.			800.44
	#200 Tires	800.44	
Doherty Tire of Sonora, Inc.			537.30
	#157 replace damaged tire	537.30	
Don Nessl			1,289.95
	RHI	1,289.95	
Douglas Davis			614.88
	RHI	614.88	
El Dorado Septic Service			134.06
	Crossroads sewer project - Toilet rentals	134.06	
Elaine Wolfgang			232.94
	RHI	232.94	
Employee Relations, Inc.			140.47
	Pre-employment background checks	140.47	
Fastenal Company			677.62
	Vending Supplies	547.21	
	Knee High Steel Toe Rubber Boots 9	130.41	
Fastenal Company			215.79
	Gold Room Stock	215.79	

Vendor Name	Payable Description	Payable Amount	Payment Amount
Fastenal Company			1,039.04
	Gold Room Stock	214.39	
	Vending Supplies	357.12	
	Vending Supplies	146.13	
	Vending Supplies	265.60	
	Vending Supplies - Batteries	55.80	
Fastenal Company			12.24
	Raw water supplies	12.24	
Ferguson Enterprises			13,101.09
	Meter Order 11/29/2021 DP	12,904.32	
	Mill Villa 6" compound meter parts	196.77	
Ferguson Enterprises			170.09
	Mill Villa 6" compound meter parts	170.09	
Five Claw Maintenance			3,252.66
	Janitorial Services	3,252.66	
Five Claw Maintenance			1,825.00
	Annual Tile Flooring Strip & Wax Service	1,825.00	
Frank Perry			614.88
	RHI	614.88	
Frontier			115.60
	Phone Service	115.60	
Gaddiel DeMattei			2,470.00
	Reimbursement - FSA DDC	2,470.00	
Gallery & Barton			27,298.21
	Legal Fees	27,298.21	
Garber Lumber & Moulding, Inc.			294.66
	Supplies and Lumber	294.66	
Gary Egger			614.88
	RHI	614.88	
General Plumbing Supply			2,255.67
	PVC Plumbing Supplies	64.46	
	24"x20' Dual Wall HDPE Culvert Pipe	2,191.21	
General Supply			1,631.91
	Cedar Springs Pump Station	301.19	
	Springs Tank Project	145.03	
	Cedar Rock	135.67	
	Cedar Rock	105.74	
	Sonora Soda Ash Heat Tape	308.55	
	Crystal Falls Power pole replace	635.73	
General Supply			282.62

Vendor Name	Payable Description	Payable Amount	Payment Amount
	Cedar Springs Tank	262.79	
	Electric supplies	19.83	
George Hill			614.88
	RHI	614.88	
George Reed, Inc.			4,338.98
	Cutback 3/8"	3,839.54	
	6" Rock Clean	356.44	
	Rock 6" clean	143.00	
Gino Pinocchio			50.00
	Reimburse for D1 exam	50.00	
Glenda McWhinney			232.94
	RHI	232.94	
Granicus, Inc.			14,756.08
	Granicus Yearly Renewal	14,756.08	
Greg Day			1,965.02
	RHI	1,965.02	
Harriet Whitmer			232.94
	RHI	232.94	
Herc Rentals Inc.			2,001.66
	Wheel Loader for Solids Removal @ Regional 12-2021	2,001.66	
Herc Rentals Inc.			6,520.52
	40KW, 55KW & 65KW Generator Rentals	4,652.18	
	40KW, 55KW & 65KW Generator Rentals	1,868.34	
Holt of California			8,170.04
	966 Front end loader rental	8,170.04	
Holt of California			10,788.07
	325 cat Excavator Rental	10,788.07	
Horizon Water and Environment, LLC			3,356.00
	Horizon Monitoring	3,356.00	
Hunt & Sons, Inc.			10,375.62
	Delo Gear Oil for equipment at the Regional Plant.	131.90	
	Fuel	3,216.20	
	Fuel	2,389.06	
	Red Diesel and Unleaded Gasoline for Regional	1,512.09	
	Fuel	3,126.37	
Hunt & Sons, Inc.			3,224.82
	Fuel	3,224.82	
Hunt & Sons, Inc.			4,048.85

Vendor Name	Payable Description	Payable Amount	Payment Amount
	Fuel	4,048.85	
Hunt & Sons, Inc.			6,334.11
	Fuel	4,324.51	
	Fuel	2,009.60	
Inception Topco, Inc.			1,473.00
	Office 365 & Email Hosting	1,473.00	
Industrial Automation Group			47,240.35
	Ignition Controls Engineer Support, 40 hrT&M block	1,820.00	
	Sonora WTP Improvements- A.G. Controls Upgrade	42,052.70	
	Greenley WTP- PLC, Ethernet Module Replacement A.G.	3,367.65	
Industrial Scientific Corporation			425.86
	Gas Monitoring Subscription	425.86	
Infosend, Inc.			5,079.55
	Monthly billing charges	5,079.55	
J.P. Gnipp			1,160.00
	Pedro Wye USA Jack Gnipp	1,160.00	
J.R. Lennen Construction, Inc.			634.00
	Refund hydrant meter deposit - Old Wards Ferry	634.00	
J.S. West Propane			1,066.34
	Bulk Propane	420.02	
	Bulk Propane	646.32	
J.S. West Propane			1,256.59
	Bulk Propane	546.25	
	Bulk Propane	363.21	
	Bulk Propane	347.13	
Jakin Laxague			384.60
	Reimbursement - FSA DDC	384.60	
James Castle			614.88
	RHI	614.88	
James Lemaster			908.01
	RHI	908.01	
Jamestown Motor Corp			60.94
	Truck 215 Thermostat	60.94	
Jamestown Motor Corp			211.18
	#200 HVAC control panel	211.18	
Jamestown Motor Corp			16.26
	#239 oil filter	16.26	

Vendor Name	Payable Description	Payable Amount	Payment Amount
Janet Seilnacht			144.00
	Power connection 1/1/22 - 12/31/22	144.00	
Jason Smith			750.00
	Landscaping Services	750.00	
Jeannine Bolter			232.94
	RHI	232.94	
Jeff Meyer			1,289.95
	RHI	1,289.95	
Jennifer Batt			305.00
	Reimbursement - FSA DDC	305.00	
Jerry Whitehead			1,289.95
	RHI	1,289.95	
Jimmy Hockett			1,965.02
	RHI	1,965.02	
Joe Cover & Sons Inc.			274.60
	Debris Hauling Service	274.60	
Joe Cover & Sons Inc.			600.00
	Debris Hauling Service	600.00	
Julie Perkins			161.54
	Garnishment	161.54	
Julie Perkins			161.54
	Garnishment	161.54	
Jutta Peterson			1,965.02
	RHI	1,965.02	
Karla Hoback			232.94
	RHI	232.94	
Kaseya US LLC			1,548.00
	IT Glue Renewal	1,548.00	
Kathleen Kochel			614.88
	RHI	614.88	
Kelly Klyn			1,289.95
	RHI	1,289.95	
Kenneth Ingram			222.43
	1 1/2" Solenoid Valve for Brentwood Tank	222.43	

Vendor Name	Payable Description	Payable Amount	Payment Amount
Kiewit Infrastructure West Co.			603,337.76
	Sonora Regional Wastewater Treatment Facility	603,337.76	
Kit Lasee			80.00
	Temporary panels - Parrots Ferry Rd.	80.00	
Kurt Bayers			19.35
	Reimburse bike pump	19.35	
L.K. Lehman Trucking			150.15
	Ready Mix & Pallet	150.15	
L.K. Lehman Trucking			683.93
	Concrete delivery	683.93	
Laborer's Local #1130			2,519.00
	Union Dues	2,419.00	
	Union Initiation Fee	100.00	
Larry Davis			614.88
	RHI	614.88	
Larry Kram			232.94
	RHI	232.94	
Left Coast Land Clearing			12,512.28
	Storm Cleanup Ditch	8,762.12	
	Emergency tree Eureka	3,750.16	
Leonard Mauro			614.88
	RHI	614.88	
Les Dean			929.64
	RHI	929.64	
Lowe's HIW Inc.			625.04
	12 ft. roof panels for Sonora WTP sed basin repair	181.11	
	Electric Heaters	51.16	
	Light bulbs for Sonora jar tester	10.23	
	Flashlight	25.58	
	Razorblades	36.79	
	Chem pump plumbing supplies	34.98	
	Portable Heaters- Water Facilities	191.42	
	Trash bags, clear silicone, zip ties & small tools	93.77	
Mark Alderson Enterprises, Inc			144.00
	Temp fence panel rental - Gibbs Dr/Red Bud	96.00	
	Temp fence panel rental -Crossroads	48.00	
Melody Bixler			660.23
	Irish Setter Steel Toe Boots	245.56	
	Annual Boots- D. Vallelunga	236.94	
	Steel Toe boots	177.73	

Vendor Name	Payable Description	Payable Amount	Payment Amount
Melody Bixler			245.56
	Safety toe boots	245.56	
Melody Bixler			172.35
	Safety-toed Boots	172.35	
Michael Benjamin Nessl			21,000.00
	SWWTP Mountain Engineering	21,000.00	
Michael Duck			614.88
	RHI	614.88	
Michael Martin			614.88
	RHI	614.88	
Michael Nicholls			232.94
	RHI	232.94	
Michael Thalman			1,289.95
	RHI	1,289.95	
Michelle Perkins			177.62
	Reimbursement - COVID Food Safety Supplies	177.62	
Mike Talley			614.88
	RHI	614.88	
Mi-Wuk Mutual Water			973.79
	Water Service	973.79	
Mother Lode Answering Service			1,300.65
	Answering Service	1,300.65	
Mountain Oasis Purified Water LLC			72.75
	Bottled water for Regional plant	28.25	
	Bottled water for Regional plant	10.25	
	Bottled water for Regional plant	34.25	
Mountain Oasis Purified Water LLC			92.75
	Bottled water for Regional plant	49.75	
	Bottled water for Regional plant	24.75	
	Bottled water for Regional plant	18.25	
Mountain Oasis Purified Water LLC			46.50
	Bottled water for Regional plant	28.25	
	Bottled water for Regional plant	18.25	
Moyle Excavation			580,690.63
	Techite Moyle Payment 2	421,356.35	
	Techite Upper Basin - PP3	159,334.28	
Nates Saw and Mower, LLC			113.26
	Chainsaw chain	113.26	

Vendor Name	Payable Description	Payable Amount	Payment Amount
Nates Saw and Mower, LLC			86.30
	Harness for weedeaters	57.89	
	2.5 gallon gas can	25.73	
	#151 primer bulb	2.68	
Nhu Bergstrom			250.00
	Monthly Website Maintenance	250.00	
Olin Corp.			4,168.59
	Sodium Hypochlorite Location 15306	4,168.59	
Pac Machine Company Inc.			547.63
	Keypad Mount for Redbud Panel	547.63	
PACE Supply Corp.			2,920.30
	3/4" and 1" CTS PJ X PVC PJ Coupling	570.30	
	Fittings for Pedro Wye	91.02	
	Woodford yard hydrant parts	108.22	
	Inventory Order 11/22/2021 DP	953.61	
	Inventory Order 11/22/2021 DP	471.79	
	Inventory Order 12/09/2021 DP	167.46	
	Inventory Order 12/09/2021 DP	359.92	
	Inventory Order 12/09/2021 DP	197.98	
PACE Supply Corp.			562.94
	Inventory Order 12/09/2021 DP	144.37	
	3" ASC FLGxFLG Check Valve	418.57	
PACE Supply Corp.			289.04
	1-1/4" Digging Bars Tools	289.04	
PACE Supply Corp.			24,648.03
	3/4" and 1" CTS PJ X PVC PJ Coupling	823.82	
	Inventory Order 12/09/2021 DP	111.46	
	Inventory Order 12/09/2021 DP	446.84	
	PRV Vault, Extension, and Lid	2,375.36	
	Extra Underground Plumbing Parts Shipping Delays	11,204.81	
	Extra Underground Plumbing Parts Shipping Delays	443.88	
	Extra Underground Plumbing Parts Shipping Delays	847.49	
	Extra Underground Plumbing Parts Shipping Delays	252.21	
	Inventory Order 01/12/2022 DP	7,231.16	
	Inventory Order 01/12/2022 DP	463.64	
	Inventory Order 01/12/2022 DP	395.49	
	Inventory Order 01/12/2022 DP	51.87	
Pacific Advanced Civil Engineering, Inc.			3,120.00
	Pace On Call	3,120.00	
Pacific Advanced Civil Engineering, Inc.			22,950.00
	SSWWTP PACE Engineering	22,950.00	
Pacific Boring, Inc.			94,043.00
	Crossroads SLS Abandonment Bore Project	89,850.00	
	Crossroads SLS Abandonment Bore Project	4,193.00	

Vendor Name	Payable Description	Payable Amount	Payment Amount
Pacific Gas & Electric			9,137.73
	Electricity	9,137.73	
Pacific Mobile Structures, Inc.			668.17
	Monthly Rental Modular Bldg	668.17	
Pape' Machinery Exchange			73,199.20
	125kw Portable Generator (Grant) *Tuolumne WTP	73,199.20	
Patricia Haefer			1,289.95
	RHI	1,289.95	
Paul Fairfield			614.88
	RHI	614.88	
Paul Prunchak			232.94
	RHI	232.94	
R. F. MacDonald Co.			1,746.34
	2- 7.5hp Pumps and Drives	1,746.34	
Raftelis Financial Consultants, Inc.			2,553.75
	Financial Plan & Public Hearing Assistance	2,553.75	
Randik Paper			152.45
	Janitorial Supplies	152.45	
Randik Paper			145.80
	Janitorial Supplies	145.80	
Randik Paper			159.73
	Janitorial Supplies	53.24	
	Janitorial Supplies	106.49	
Redistricting Insights, LLC			5,000.00
	Redistricting Consultant Services	5,000.00	
Richard Dean			232.94
	RHI	232.94	
Richard Pitcher			90.00
	Reimburse Nassco membership renewal	90.00	
Robert Bowers			84.63
	RHI	84.63	
Robert Hatcher			614.88
	RHI	614.88	
Rolleri Excavation Inc.			3,741.00
	Rolleri Trucking	3,741.00	

Vendor Name	Payable Description	Payable Amount	Payment Amount
Sandi Gillespie			614.88
	RHI	614.88	
Sentry Alarm Systems, Inc.			1,824.00
	Vehicle Maintenance Building	660.00	
	Warehouse Building	660.00	
	Scenic View WTP Alarm Monitoring	252.00	
	Ponderosa WTP Alarm Monitoring	252.00	
Shape Inc.			3,514.98
	Repair of Flygt pump for the Law & Justice SLS	2,461.98	
	Repair of Flygt pump for the Law & Justice SLS	1,053.00	
Shape Inc.			182,886.99
	2 ea. 20' x 8' Diameter FRP Sumps - Parrotts Ferry	134,799.31	
	Mill Villa SLS CIP Project	48,087.68	
Sharon Norris			1,289.95
	RHI	1,289.95	
Shelly Borla			1,289.95
	RHI	1,289.95	
Sheri Fleming			1,965.02
	RHI	1,965.02	
Sierra Consultants, Inc.			2,499.75
	On Call - R/S Dietrich	2,499.75	
Sierra Pacific Industries			5,000.00
	Lease MiWuk Leach Field	5,000.00	
Signal Service			2,481.00
	Upgrade of CCTV System at Regional Plant	2,481.00	
Signal Service			385.22
	Main office proximity fob	161.63	
	Big Hill WTP on site service	223.59	
Signal Service			125.00
	Service - 11400 Algerine Rd	125.00	
Slakey Brothers Inc.			398.97
	Milwaukee Pruning Saw and Battery	398.97	
Slakey Brothers Inc.			300.29
	Milwaukee Power Supply 18V to 110AC converter	102.96	
	Milwaukee 3/8" Ratchet 12V	197.33	
Sonora Automotive Inc			340.54
	#247 filters	114.03	
	#247 Fuel filters	226.51	

Vendor Name	Payable Description	Payable Amount	Payment Amount
Sonora Ford			40.93
	#206 Pinion seal	40.93	
Sonora Lumber Company			715.91
	7.7 Gallon Propane	28.12	
	Snow Shovels	99.10	
	Soulsbyville Ditch wash out	367.90	
	XL Cold Condition Gloves	34.47	
	Small tools	186.32	
Sonora Lumber Company			506.67
	Loppers	32.31	
	Washer	1.83	
	Warehouse Stock	237.14	
	General Supplies for the RWWTP	219.30	
	#230 key	4.93	
	Spare modular keys	11.16	
Sonora Lumber Company			108.66
	Shop/truck supplies	92.51	
	Hose bib	16.15	
Sonora Lumber Company			60.45
	Wastewater shop supplies	60.45	
Sonora Water Company			40.07
	Utilities	40.07	
Standard Insurance			2,324.52
	STD/LTD January 2022	2,324.52	
Standard Insurance			2,325.58
	STD/LTD February 2022	2,325.58	
Stantec Consulting Services Inc.			1,154.89
	Stantec - On Call May-Dec	1,154.89	
Stephen Gray			614.88
	RHI	614.88	
StormWind, LLC.			298.00
	Office Desktop Training	298.00	
Sundborg's Repair Service			60.00
	#161 Calibrate new turbo actuator	60.00	
Sutton Enterprises			9,491.46
	Matelot Bypass Emergency Repair	9,491.46	
Sutton Enterprises			25,613.82
	Matelot Pipeline-Release of Retention	25,613.82	

Vendor Name	Payable Description	Payable Amount	Payment Amount
SWRCB			46,954.19
	Large water system annual fees - Sonora	14,019.34	
	Large water system annual fees - Upper Basin	22,974.35	
	Large water system annual fees - Columbia	5,323.50	
	Annual Permit Fee - NPDES Drinking Water Purveyors	2,283.00	
	Annual Permit Fee - Algerine Slum Dam Repair	2,031.00	
	Annual Permit Fee - Phoenix Lake Preservation	323.00	
SWRCB			17,598.98
	Small water system annual fees - Wards Ferry	500.00	
	Small water system annual fees - Ponderosa Hills	5,337.60	
	Small water system annual fees - Tuolumne	1,879.08	
	Small water system annual fees - Cedar Ridge	5,637.84	
	Small water system annual fees - Peaceful Pines	250.00	
	Small water system annual fees - Phoenix Lake Park	500.00	
	Small water system annual fees - Apple Valley	2,043.30	
	Small water system annual fees - Scenic View	1,451.16	
Synagro Technologies, Inc.			31,198.41
	WWTP Solids Removal October 2021	10,631.96	
	WWTP Solids Removal	20,566.45	
Tamara Alexander			614.88
	RHI	614.88	
Taylor Westberg			285.00
	Annual Safety Toed Boot Allowance	285.00	
Terresa Hoots			232.94
	RHI	232.94	
Terry Hiler			908.01
	RHI	908.01	
Thane Allen			908.01
	RHI	908.01	
The Pape' Group Inc.			27,182.51
	Hyster H70UT Lift Truck	27,182.51	
The Radiator Doctor Inc.			255.26
	#220 Radiator	255.26	
The Wardens Office, Inc.			202.68
	Office Supply Stock	202.68	
The Wardens Office, Inc.			178.04
	Office Supply Stock	178.04	
Thomas Phillips			1,965.02
	RHI	1,965.02	

Vendor Name	Payable Description	Payable Amount	Payment Amount
Thomas Powell			679.26
	Reimburse travel - OCT course	679.26	
Thomas Powell			70.00
	Reimbursement - D1 Certificate	70.00	
Timothy McCullough			232.94
	RHI	232.94	
Tom Scesa			232.94
	RHI	232.94	
TPPA			36,844.98
	Electricity	36,844.98	
Tractor Supply Company			51.42
	#203 truck bed hinges	51.42	
Tri-Dam Project			1,346.30
	Annual license fee - Mt Elizabeth radio tower	1,346.30	
Tuolumne County Environmental Health			4,621.75
	Business Plan Annual Fee FY 22	718.50	
	Business Plan Annual Fee FY 22	300.25	
	Business Plan Annual Fee FY 22	300.25	
	Business Plan Annual Fee FY 22	300.25	
	Business Plan Annual Fee FY 22	300.25	
	Business Plan Annual Fee FY 22	300.25	
	Business Plan Annual Fee FY 22	300.25	
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	Business Plan Annual Fee FY 22	300.25	
	Business Plan Annual Fee FY 22	300.25	
	Business Plan Annual Fee FY 22	300.25	
	Business Plan Annual Fee FY 22	300.25	
	Business Plan Annual Fee FY 22	300.25	
Tuolumne County Environmental Health			300.25
	Business Plan Annual Fee FY 22	300.25	
Tuolumne County Public Works			7,536.50
	Encroachment permit fee - Curtis Creek (grant funded)	7,536.50	
Tuolumne County Public Works			69.23
	GIS Services	69.23	
Tuolumne County Recorder			120.00
	Release of Lien	40.00	
	Release of Liens	80.00	
Tuolumne County Recorder			60.00
	Release of Lien	20.00	
	Release of Lien	20.00	
	Release of Lien	20.00	

Vendor Name	Payable Description	Payable Amount	Payment Amount
Tuolumne County Recorder			60.00
	Release of Lien	20.00	
	Release of Lien	40.00	
Tuolumne County			6,667.00
	Annual LAFCO payment	6,667.00	
Twain Harte Lumber			21.34
	3/8" Galv Wire Rope Clips	21.34	
Twain Harte Lumber			14.56
	Columbia WTP supplies	14.56	
Tyler Technologies, Inc.			30,075.76
	Annual software maintenance fee	30,075.76	
Tyler Technologies, Inc.			9,632.50
	Insite quarterly transaction fees	9,632.50	
United Rentals, Inc.			8,165.84
	Trench Box and accessories Cross Roads Project	8,165.84	
United Rentals, Inc.			9,789.28
	Trench Box and accessories Cross Roads Project	7,203.47	
	Barrier Wall 10'	2,585.81	
UPS			61.80
	Freight	61.80	
US Bank Equipment Finance			191.21
	Plotter Lease Payment	191.21	
USA Bluebook			1,909.70
	Free chlorine Reagent Set for Cl17	1,909.70	
Verlia Teves			232.94
	RHI	232.94	
Virginia Ayers			232.94
	RHI	232.94	
W. W. Grainger, Inc.			419.63
	LMI Injection Valve	419.63	
W. W. Grainger, Inc.			341.99
	3HP Air Compressor Motor 54JF88	341.99	
Wells Fargo Financial Leasing			1,190.64
	Copier Lease Payment	960.05	
	Copier Lease Payment - Sewer RC40913417	117.45	
	Copier Lease Payment - Water RC40712255	113.14	

Vendor Name	Payable Description	Payable Amount	Payment Amount
Wienhoff & Associates, Inc.			360.00
	DOT Clearinghouse Queries	360.00	
William Gerber			614.88
	RHI	614.88	
William Pattinson			614.88
	RHI	614.88	

Bank Code AP Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	347.00	178.00	0.00	1,521,536.39
Manual Checks	-	-	0.00	0.00
Voided Checks	-	-	0.00	0.00
Bank Drafts	-	-	0.00	0.00
EFT's	114.00	98.00	0.00	883,287.30
	461.00	**276.00**	**0.00**	**2,404,823.69**

TUOLUMNE UTILITIES DISTRICT

Agenda Item No. II.3

MEMORANDUM

Board Meeting of February 8, 2022

To: Board of Directors

From: Abby Parcon, Administrative Services Director

Agenda Section: Consent Calendar

Subject: Consider Adopting a Resolution Making Findings in Support of Continuing Remote Meetings Pursuant to AB 361

Summary

Recommendation: Consider adopting a resolution making findings in support of continuing remote meetings pursuant to AB 361 (Modified Brown Act Procedures during Declared Emergency) based on the California Occupational Health and Safety Act (Cal OSHA) regulations recommending social distancing to prevent the spread of COVID-19.

Issue: Due to the COVID-19 pandemic, the TUD Board Room has been closed to the public and the board meetings have been held virtually since March 2020 in compliance with Executive Orders N-29-20 and N-35-20 through September 30, 2021; however, concerns continue regarding holding public, in-person meetings given the recommendation for individuals to engage in social distancing to lessen the spread of the disease. The governor signed Assembly Bill (AB) 361 into law on September 16, 2021, which allows legislative bodies to continue meeting virtually under modified Ralph M. Brown Act (Brown Act) procedures during the present public health emergency. Executive order N-1-22 was signed on January 5, 2022, extending the sunset of AB 361 from January 31 to March 31, 2022.

Fiscal Impact: There is no fiscal impact with this item.

Previously Related Action: On October 12, 2021, the Board adopted resolution number 22-21 making findings in support of allowing remote meetings pursuant to AB 361 based on the Cal OSHA regulations recommending social distancing to prevent the spread of COVID-19. Resolution numbers 23-21, 25-21, and 1-22 were adopted on November 9 and December 14, 2021, and January 11, 2022, respectively, to continue remote meetings.

Committee Status: N/A

Adherence to Policy: N/A

Discussion:

Governor Newsom's Executive Orders waived the standard teleconferencing requirements of the Brown Act during the public health emergency through September 30, 2021. On September 16, 2021, the governor signed AB 361 into law, which amends the Brown Act remote meeting requirements. The law allows flexibility for agencies that wish to continue with remote meetings but also includes procedures that must be followed.

Board Action:	Resolution No. _____	Motion by _____ Second by _____
	Ayes: _____	Noes: _____
	Absent: _____	Abstained: _____ Recuse: _____

AB 361 allows a legislative body to hold remote meetings during a proclaimed state of emergency, if one of the following criteria applies:

1. State or local officials have imposed or recommended measures to promote social distancing,
2. The purpose of the meeting is to determine, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees, or
3. The legislative body has already determined that as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

If those circumstances apply, then the newly proposed Gov. Code section 52953(e) provides an exemption from the Brown Act's existing requirements and creates alternate measures to protect the statutory and constitutional rights of the public to appear before local legislative bodies. Specifically, newly proposed section 52953(e) exempts the agency from complying with the following requirements:

- Ensuring that each teleconference location is physically accessible to the public;
- Maintaining quorum with members physically within the jurisdiction; and
- Providing an opportunity for public comment at each teleconference location.

For an agency's legislative body to meet virtually, it must provide for the following in order to ensure that members of the public may access and participate in such meetings:

1. Provide notice and post agendas;
2. Conduct the virtual meetings in a manner that protects the statutory and constitutional rights of the parties and the public;
3. Provide members of the public access to the meeting and an opportunity to address the body directly;
4. Provide members of the public the opportunity to comment in real time;
5. Suspend further action on items in the meeting agenda in the event that there is a disruption in the ability of the meeting to be broadcast to members of the public or in the ability for members of the public to comment;
6. Avoid closing any timed public comment period until such time has lapsed.

In the event of an ongoing proclaimed state of emergency, the Board may continue to meet virtually if the Board adopts a subsequent resolution making findings by majority vote on the circumstances of the applicable state of emergency and continues to find either:

1. The state of emergency continues to directly impact the ability of its members to safely meet in person; or
2. That state or local officials continue to impose or recommend social distancing measures.

Attachments:

Resolution

RESOLUTION No. ____

A SUBSEQUENT RESOLUTION OF THE BOARD OF DIRECTORS OF THE TUOLUMNE UTILITIES DISTRICT PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY ISSUED ON MARCH 4, 2020, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODIES OF TUOLUMNE UTILITIES DISTRICT FOR 30 DAYS, PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the Tuolumne Utilities District is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of Tuolumne Utilities District's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the Board of Directors conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District's boundaries, caused by natural, technological, or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, the Board of Directors previously adopted Resolution Number 22-21 on October 12, 2021, and subsequent Resolution Numbers 23-21, 25-21, and 01-22 on November 9 and December 14, 2021, and January 11, 2022, respectively, finding that the requisite conditions exist for the legislative bodies of Tuolumne Utilities District to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in section 54953(e), the Board of Directors must reconsider the circumstances of the state of emergency that exists in the District, and the Board of Directors has done so; and

WHEREAS, emergency conditions persist in the District, specifically, the Proclamation of a state of emergency and locally continuation incident rate of COVID-19; and

WHEREAS, the California Department of Industrial Relations has issued regulations related to COVID-19 Prevention for employees and places of employment. Title 8 of the California Code of Regulations, Section 3205(5)(D) specifically recommends physical (social) distancing as one of the measures to decrease the spread of COVID-19; and

WHEREAS, the Board of Directors does hereby find that the Proclamation of a state of emergency due to the continued COVID-19 pandemic, and social distancing recommendations have caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and desires to proclaim a local emergency and ratify the proclamation of state of emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency persisting, the Board of Directors does hereby find that the legislative bodies of Tuolumne Utilities District shall continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall continue to comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, the District will conduct open and public meetings in such a way that ensures members of the public may access and participate in such meetings.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF TUOLUMNE UTILITIES DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Affirmation that Local Emergency Persists. The Board of Directors hereby considers the conditions of the state of emergency in the District and proclaims that a local emergency persists throughout the District, and that state officials continue to impose or recommended measures to promote social (physical) distancing based on the California Department of Industrial Relations' issuance of regulations related to COVID-19 Prevention through Title 8 of the California Code of Regulations, Section 3205(5)(D).

Section 3. Re-ratification of Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of October 1, 2021.

Section 4. Remote Teleconference Meetings. The Staff or General Manager and legislative bodies of Tuolumne Utilities District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) March 8, 2022, or such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of Tuolumne Utilities District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED by the Board of Directors of Tuolumne Utilities District, February 8, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST

_____	_____
Barbara J. Balen, President	Melissa McMullen
Board of Directors	Executive Secretary/Board Clerk

TUOLUMNE UTILITIES DISTRICT

Agenda Item No.III.4

MEMORANDUM

Board Meeting of February 8, 2022

To: Tuolumne Utilities Board of Directors

From: Stephen M. Sheffield, CPA, Finance Director

Agenda Section: Regular Business

Subject: Consider Approving a Resolution Adopting the District Investment Policy

Summary

Recommendation: It is recommended that the Board of Director, by motion, consider approving the attached resolution adopting the District Investment Policy.

Issue: The Investment Policy sets portfolio management objectives and practices, specifies allowable investment instruments, states the criteria for purchasing those securities, prohibits certain types of security purchases, and fixes the maximum investment horizon (generally five years). The investment officer uses these guidelines to manage and safeguard the investment of all public funds held by the District.

Fiscal Impact: There is not a fiscal impact associated with this item.

Previously Related Action: The District's investment policy was last adopted on November 10, 2020 and is attached for your information. At its May 12th, 2020, meeting the Board approved Chandler Asset Management for the provision of investment advisory services including investment policy review. Chandler's investment professionals have conducted an extensive review of the District's Investment Policy to ensure it encompasses the latest requirements of California Government Code, as well as industry best practices and any management directives. The attached revisions are the result of this formal review and recommendations are meant to integrate best practices that provide clarification, increase return potential, and improve risk management.

Committee Status: not applicable.

Adherence to Policy: The investment policy and any modifications to the policy shall be formally approved and adopted by resolution of the governing board on an annual basis. The investment policy will be considered by the Board in second quarter of each fiscal year.

Discussion: The policy is intended to articulate the circumstances and conditions under which District funds will be invested. It is not the intent of this policy to articulate or discuss any specific investment or investment strategy beyond the general provisions of the policy itself as limited by law. All District investments will be required to adhere to the provisions of the policy itself.

Attachments:

1. Tuolumne Utilities District Investment Policy Resolution
2. Tuolumne Utilities District Investment Policy
3. Tuolumne Utilities District Investment Policy (redline version)

Board Action:	Resolution No. _____	Motion by _____ Second by _____
	Ayes: _____	Noes: _____
	Absent: _____	Abstained: _____ Recuse: _____

RESOLUTION NO:_____

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE TUOLUMNE UTILITIES DISTRICT
ADOPTING A DISTRICT INVESTMENT POLICY**

WHEREAS, the Tuolumne Utilities District ("District") is an independent public agency that manages public funds on behalf of its customers; and

WHEREAS, the Board of Directors of the District is independently elected by District electors and therefore carry a fiduciary responsibility to protect and preserve public funds held by the District on behalf of the District's customers; and

WHEREAS, the District desires to establish and adopt an Investment Policy, consistent with the provisions of California Statute, including without limitation Government Code Section 53600 et seq.; and

WHEREAS, the Investment Policy sets portfolio management objectives and practices, specifies allowable investment instruments, states the criteria for purchasing securities, prohibits certain types of securities, and fixes the maximum investment horizon; and

WHEREAS, the Investment Policy identifies the roles and responsibilities of an Investment Officer and specifies that the Investment Officer is to use the guidelines of the Investment Policy to manage and safeguard the investment of all public funds held by the District; and

WHEREAS, the District's existing Investment Policy was last adopted on November 13, 2018; and

WHEREAS it has become a best practice for local governing boards to review and adopt an Investment Policy, de novo, on an annual basis; and

WHEREAS, the attached policy has been prepared in consultation with California law and public sector finance best practices; and

WHEREAS, the policy is intended to articulate the circumstances and conditions under which District funds will be invested; and

WHEREAS, it is not the intent of the policy to articulate or discuss any specific investment or investment strategy beyond the general provisions of the policy itself as limited by the law; and

WHEREAS, all District investments will be required to adhere to the provisions of the policy itself; and

WHEREAS, the District's Investment Policy is developed to ensure, in priority order, the fundamental principles of: *Safety* of investments; then *Liquidity* of investments; then *Yield* of investments; and

WHEREAS, both state statute and public sector financial management best practices articulate that the preservation of principal (monies) invested in approved instruments is the most important fiduciary responsibility of elected and appointed officials responsible for public funds; and

WHEREAS, *Safety* of the investment vehicle is the paramount concern under the policy; and

WHEREAS, *Liquidity*, or public agency access to its funds, is the next more important principal that guides investment decisions; and

WHEREAS, investment vehicles must be for limited terms, thus assuring that funds can be made available for the public benefit when needed; and

WHEREAS, *Yield*, or the amount of money earned from investments, is considered the last priority for publicly invested funds because investment of public funds is necessarily risk averse; and

WHEREAS, the proposed policy captures these principles and provides the framework against which any rate payer funds invested under the provisions of the policy will be kept as safe and liquid as possible for use by the agency while earning a justifiable yield.

NOW, THEREFORE, the Board of Directors of the Tuolumne Utilities District does hereby resolve as follows:

SECTION 1. The annual Investment Policy attached hereto and incorporated herein as "Exhibit A" has been reviewed in a public meeting and is hereby adopted.

PASSED AND ADOPTED by the Board of Directors of Tuolumne Utilities District on February 8, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

ATTEST:

_____	_____
Barbara Balen, President	Melissa McMullen
Board of Directors	Executive Secretary/Board Clerk

TUOLUMNE UTILITIES DISTRICT

INVESTMENT POLICY

1. Policy Statement

This policy is intended to provide guidelines for the prudent investment of the Tuolumne Utilities District's (District) funds in conformance with California Government Code requirements governing the investment of public funds. Funds will be managed to provide for daily cash flow requirements and to meet the objectives of this policy. The ultimate goal is to enhance the economic status of the District consistent with the prudent protection of the District's investments. This investment policy has been prepared in conformance with all pertinent existing laws of the State of California including California Government Code Sections 53600, *et seq*.

2. Scope

It is intended that this policy cover all funds and investment activities of the District. These funds are defined and detailed in the District's Annual Financial Report and include any new funds unless specifically excluded by District management and the Board of Directors.

3. Standards of Care

3.1. Prudence

All participants in the investment process shall recognize that the investment program is subject to public review and evaluation.

Pursuant to California Government Code, Section 53600.3, all persons authorized to make investment decisions on behalf of the District are trustees and therefore fiduciaries subject to the *Prudent Investor Standard*:

> "…all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. 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. Within

the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

The investment officer and designees, acting in accordance with the 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 appropriate action is taken to control adverse developments.

3.2. Delegation of Authority

Governing Body – Authority to manage the District's investment program is derived from California Government Code, Sections 41006 and 53600 *et seq.* The Board of Directors will retain ultimate fiduciary responsibility for the portfolio. The governing body will receive quarterly reports, designate investment officers and annually review the investment policy making any changes necessary by adoption.

Investment Officers – The Board of Directors hereby delegates management authority and responsibility for implementing the investment policy to the General Manager or designee, hereinafter referred to as investment officer. The investment officer will be responsible for all transactions undertaken and will establish a system of procedures and controls to regulate the activities of subordinate officials and employees. Such procedures will 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 procedures established by the investment officer.

Investment Advisers – The District may engage the services of one or more external investment advisers who are registered under the Investment Advisers Act of 1940 to assist in the management of the District's investment portfolio in a manner consistent with the District's objectives. Such external managers may be granted discretion to purchase and sell investment securities and shall make all investment decisions and transactions in strict accordance with State and Federal law, this investment policy and such other written instructions as are provided. The performance and service levels of investment advisers and managers shall be reviewed annually.

The District's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The District recognizes that in a diversified portfolio, occasional measured losses may be inevitable and must be

considered within the context of the overall portfolio's return and the cash flow requirements of the District.

3.3. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Employees and investment officers shall disclose any financial interest in financial institutions that conduct business with the District. They shall further disclose any personal financial/investment positions that could be related to the performance of the District's portfolio. Employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the District.

4. Investment Objectives

As specified in Government Code Section 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing the District's funds, the primary objectives, in priority order, of the District's investment activities and of this policy shall be (1) safety, (2) liquidity, and (3) return. It is the policy of the District to invest public funds in a manner to obtain the highest return obtainable with the maximum security while meeting the daily cash flow demands of the District as long as investments meet the criteria established by this policy for safety and liquidity and conform to all laws governing the investment of District funds.

4.1. Safety

Safety of principal is the foremost objective of the District. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the District will diversify its investments by investing funds among a variety of securities with independent returns. Investments shall be made with the aim of avoiding capital losses due to issuer default, broker-dealer default or market value erosion. Diversification strategies shall be determined and revised periodically by the investment officer for all funds.

4.2. Liquidity

The investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements which are reasonably anticipated.

4.3. Return

Return on investments shall be considered only after the basic requirements of safety and liquidity have been met. The District's investment portfolio shall be designed with the objective of attaining market average rate of return throughout budgetary and economic cycles, as long as it does not diminish the objectives of safety and liquidity.

5. Authorized Financial Institutions, Depositories, and Broker/Dealers

To the extent practicable, the Treasurer shall endeavor to complete investment transactions using a competitive bid process whenever possible. For any investment transaction not conducted directly with the issuer, it shall be the District's policy to purchase securities only from authorized institutions and firms. A list will be maintained of authorized financial institutions, depositories, and broker/dealers that are approved for investment services. Selection of financial institutions and broker/dealers authorized to engage in transactions with the District shall be at the sole discretion of the District. A periodic review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the investment officer.

5.1. Depositories

The investment officer shall determine which financial institutions are authorized to provide investment services to the District. No deposit of public funds shall be made except in a qualified public depository as established by state law. Deposits will be insured by the Federal Deposit Insurance Corporation, or, to the extent the amount exceeds the insured maximum, will be collateralized in accordance with State law.

The District shall contract with a bank or banks with federally insured deposits for the safekeeping services through a third party custodial agreement, (California Government Code Section 53601)

All securities owned by the District shall be held by the District or by its third party custodian, except the collateral for time deposits in banks, savings banks, and savings and loan associations. The collateral for time deposits in banks and savings and loans shall be held in a trust account in the District's name. Dealers and brokers shall not hold

any securities for the District. A broker is not an approved depository under California Government Code Section 53630(c)[1], and Section 53608[2].

5.2. Brokers and Dealers

The investment officer shall maintain a list of authorized broker/dealers that are approved for investment purposes. All broker/dealers who desire to become qualified for investment transactions with the District must supply the following as appropriate and deemed by the District:

- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- Proof of FINRA certification
- Proof of state registration
- Completed broker/dealer questionnaire (not applicable to Certificate of Deposit counterparties)
- Certification of having read and understood and agreeing to comply with the District's investment policy
- Evidence of adequate insurance coverage
- Information related to pending legal actions against the firm or individual broker(s) of the firm
- Evidence that broker markets securities appropriate to the District's needs

Selection of financial institutions and broker/dealers authorized to engage in transactions will be at the sole discretion of the District, except where the District utilizes an external investment adviser in which case the District may rely on the adviser

[1] Section 53630(c) allows state or national banks, state or federal savings banks or savings and loan associations, state or federal credit unions and federally insured industrial loan companies as approved depositories.

[2] Section 53608. Deposit of securities; delegation of authority. The legislative body of a local agency may deposit for safekeeping with a federal or state association, a trust company or a 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 located in any city designated as a reserve city by the Board of Governors of the Federal Reserve System, the bonds, notes, bills debentures, obligations, certificates or indebtedness, warrants, or other evidences of indebtedness in which the money of the local agency is invested pursuant to this article or pursuant to other legislative authority. The local agency shall take from such financial institution a receipt for securities so deposited, the authority of the legislative body to deposit for safekeeping may be delegated by the legislative body to the treasurer of the local agency, the treasurer shall not be responsible for securities delivered to and receipted for by a financial institution until they are withdrawn from the financial institution by the treasurer.

for selection. Selection of broker/dealers used by an external investment adviser retained by the District will be at the sole discretion of the adviser.

6. Authorized and Suitable Investments

6.1. Investment Types and Credit Guidelines

The District is provided a broad spectrum of eligible investments under California Government Code Sections 53600 *et seq.* (authorized investments), 53630–53686 (deposits and collateral), and 16429.1 (Local Agency Investment Fund). The District seeks to further restrict its permitted investments to a smaller list of securities that more closely fits the District's cash flow needs and requirements for liquidity. In the event a discrepancy is found between this policy and the Code, the more restrictive parameters will take precedence. Percentage holding limits listed in this section apply at the time the security is purchased.

Any investment currently held at the time the policy is adopted which does not meet the new policy guidelines can be held until maturity and shall be exempt from the current policy. At the time of the investment's maturity or liquidation, such funds shall be reinvested only as provided in the current policy.

An appropriate risk level shall be maintained by primarily purchasing securities that are of high quality, liquid, and marketable. The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual issuers.

Within the context of these limitations, the following investments are authorized:

1. **Municipal Securities** include obligations of the District, the State of California and any local agency within the State of California, provided that:

    - The securities are rated in a rating category of "A" or its equivalent or better by at least one nationally recognized statistical rating organization ("NRSRO").
    - No more than 5% of the portfolio may be invested in any single issuer.
    - No more than 30% of the portfolio may be in Municipal Securities.
    - The maximum maturity does not exceed five (5) years.

2. **Municipal Securities (Registered treasury notes or bonds)** of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

    - The securities are rated in a rating category of "A" or its equivalent or better by at least one nationally recognized statistical rating organization ("NRSRO").
    - No more than 5% of the portfolio may be invested in any single issuer.
    - No more than 30% of the portfolio may be in Municipal Securities.
    - The maximum maturity does not exceed five (5) years.

3. **U.S. Treasuries** and other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest. There are no limits on the dollar amount or percentage that the District may invest in U.S. Treasuries, provided that:

    - The maximum maturity is five (5) years.

4. **Federal Agencies** 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. There are no limits on the dollar amount or percentage that the District may invest in Federal Agency or Government-Sponsored Enterprises (GSEs), provided that:

    - No more than 30% of the portfolio may be invested in any single Agency/GSE issuer.
    - The maximum maturity does not exceed five (5) years.
    - The maximum percent of agency callable securities in the portfolio will be 20%.

5. **Banker's Acceptances,** provided that**:**

    - They are issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term debt obligations which are rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
    - No more than 40% of the portfolio may be invested in Banker's Acceptances.

- No more than 5% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed 180 days.

6. **Commercial Paper**, provided that the securities are issued by an entity that meets all of the following conditions in either paragraph (a) or (b) and other requirements specified below:

   a. **Securities** issued by corporations:

      (i) A corporation organized and operating in the United States with assets more than $500 million.

      (ii) The securities are rated "A-1" or its equivalent or better by at least one NRSRO.

      (iii) If the issuer has other debt obligations, they must be rated in a rating category of "A" or its equivalent or better by at least one NRSRO.

   b. **Securities** issued by other entities:

      (i) The issuer is organized within the United States as a special purpose corporation, trust, or limited liability company.

      (ii) The securities must have program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.

      (iii) The securities are rated "A-1" or its equivalent or better by at least one NRSRO.

   - No more than 10% of the outstanding commercial paper of any single issuer.
   - No more than 25% of the portfolio may be invested in Commercial Paper.
   - No more than 5% of the portfolio may be invested in any single issuer.
   - The maximum maturity does not exceed 270 days.

7. **Negotiable Certificates of Deposit (NCDs)**, issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank, provided that:

   - The amount of the NCD insured up to the FDIC limit does not require any credit ratings.
   - Any amount above the FDIC insured limit must be issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at

least one NRSRO; or long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO.

- No more than 30% of the total portfolio may be invested in NCDs (combined with CDARS).
- No more than 5% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

8. **Federally Insured Time Deposits** (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions, provided that:

    - The amount per institution is limited to the maximum covered under federal insurance.
    - No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
    - The maximum maturity does not exceed five (5) years.

9. **Collateralized Time Deposits** (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions in excess of insured amounts which are fully collateralized with securities in accordance with California law, provided that:

    - No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
    - The maximum maturity does not exceed five (5) years.

10. **Certificate of Deposit Placement Service (CDARS)**, provided that:

    - No more than 30% of the total portfolio may be invested in a combination of Certificates of Deposit, including CDARS.
    - The maximum maturity does not exceed five (5) years.

11. **Collateralized Bank Deposits.** District's deposits with financial institutions will be collateralized with pledged securities per California Government Code, Section 53651. There are no limits on the dollar amount or percentage that the District may invest in collateralized bank deposits.

12. **Repurchase Agreements** collateralized with securities authorized under California Government Code, maintained at a level of at least 102% of the market value of the

Repurchase Agreement. There are no limits on the dollar amount or percentage that the District may invest, provided that:

- Securities used as collateral for Repurchase Agreements will be delivered to an acceptable third party custodian.
- Repurchase Agreements are subject to a Master Repurchase Agreement between the District and the provider of the repurchase agreement. The Master Repurchase Agreement will be substantially in the form developed by the Securities Industry and Financial Markets Association (SIFMA).
- The maximum maturity does not exceed one (1) year.

13. **State of California Local Agency Investment Fund (LAIF)**, provided that:

- The District may invest up to the maximum amount permitted by LAIF.
- LAIF's investments in instruments prohibited by or not specified in the District's policy do not exclude the investment in LAIF itself from the District's list of allowable investments, provided LAIF's reports allow the Treasurer to adequately judge the risk inherent in LAIF's portfolio.

14. **Local Government Investment Pools**

- Other LGIPs permitted by client.
- There is no issuer limitation for Local Government Investment Pools

15. **Corporate Medium Term Notes (MTNs)**, provided that:

- The issuer is a corporation 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.
- The securities are rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
- No more than 30% of the total portfolio may be invested in MTNs.
- No more than 5% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

16. **Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations from issuers not defined in sections 3 and 4 of the Authorized Investments section of this policy**, provided that:

- The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
- No more than 20% of the total portfolio may be invested in these securities.
- No more than 5% of the portfolio may be invested in any single Asset-Backed or Commercial Mortgage security issuer.
- The maximum legal final maturity does not exceed five (5) years.

17. **Mutual Funds and Money Market Mutual Funds** that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, provided that:

    a. **Mutual Funds** that invest in the securities and obligations as authorized under California Government Code, Section 53601 (a) to (k) and (m) to (q) inclusive and that meet either of the following criteria:

        (i) Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or

        (ii) Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of $500 million.

    - No more than 10% of the total portfolio may be invested in shares of any one mutual fund.

    b. **Money Market Mutual Funds** registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and issued by diversified management companies and meet either of the following criteria:

        (i) Have attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or

        (ii) Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of $500 million.

- No more than 20% of the total portfolio may be invested in the shares of any one Money Market Mutual Fund.

c. No more than 20% of the total portfolio may be invested in these securities.

18. Supranationals, provided that:

- Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.
- The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
- No more than 30% of the total portfolio may be invested in these securities.
- No more than 10% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

6.2. Prohibited Investments

Section 53601.6 of the Government Code, as it may be amended from time to time, 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 mortgages, or any investment that could result in zero interest earned if held to maturity. Under a provision sunsetting on January 1, 2026, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted. Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited. Purchasing or selling securities on margin is prohibited. The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited. The purchase of foreign currency denominated securities is prohibited.

7. Investment Pools/Mutual Funds

The District shall conduct a thorough investigation of any pool or mutual fund prior to making an investment, and on a continual basis thereafter. The Treasurer shall develop a questionnaire which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

8. Collateralization

Certificates of Deposit (CDs). The District shall require any commercial bank or savings and loan association to deposit eligible securities with an agency of a depository approved by the State Banking Department to secure any uninsured portion of a Non-Negotiable Certificate of Deposit. The value of eligible securities as defined pursuant to California Government Code, Section 53651, pledged against a Certificate of Deposit shall be equal to 150% of the face value of the CD if the securities are classified as mortgages and 110% of the face value of the CD for all other classes of security.

Collateralization of Bank Deposits. This is the process by which a bank or financial institution pledges securities, or other deposits for the purpose of securing repayment of deposited funds. The District shall require any bank or financial institution to comply with the collateralization criteria defined in California Government Code, Section 53651.

Repurchase Agreements. The District requires that Repurchase Agreements be collateralized only by securities authorized in accordance with California Government Code:

- The securities which collateralize the repurchase agreement shall be priced at Market Value, including any Accrued Interest plus a margin. The Market Value of the securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities.

- Financial institutions shall mark the value of the collateral to market at least monthly and increase or decrease the collateral to satisfy the ratio requirement described above.
- The District shall receive monthly statements of collateral.

9. Maximum Maturity

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities.

The District will not invest in securities maturing more than five (5) years from the date of trade settlement, unless the Governing Body has by resolution granted authority to make such an investment.

10. Risk Management and Diversification

Mitigating Credit Risk in the Portfolio: Credit risk is the risk that a security or a portfolio will lose some or all its value due to a real or perceived change in the ability of the issuer to repay its debt. The District will mitigate credit risk by adopting the following strategies:

- The diversification requirements included in the "Authorized Investments" section of this policy are designed to mitigate credit risk in the portfolio.
- No more than 5% of the total portfolio may be deposited with or invested in securities issued by any single issuer unless otherwise specified in this policy.
- The District may elect to sell a security prior to its maturity and record a capital gain or loss in order to manage the quality, liquidity or yield of the portfolio in response to market conditions or District's risk preferences.
- If a security owned by the District is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken:
    - Any actions taken related to the downgrade by the investment manager will be communicated to the Treasurer in a timely manner.
    - If a decision is made to retain the security, the credit situation will be monitored and reported to the Governing Body.

Mitigating Market Risk in the Portfolio: Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. The District recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The District will mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes.

The District further recognizes that certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The District, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

- The District will maintain a minimum of six months of budgeted operating expenditures in short term investments to provide sufficient liquidity for expected disbursements.
- The maximum stated final maturity of individual securities in the portfolio will be five (5) years, except as otherwise stated in this policy.
- The duration of the portfolio will generally be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by the District based on the District's investment objectives, constraints and risk tolerances.

11. Competitive Transactions

It is the District's policy to transact all securities purchases and sales through a formal and competitive processing requiring the solicitation and evaluation of at least three separate brokers/financial institutions or through the use of a nationally recognized trading platform whenever possible. It will be the responsibility of the personnel involved in each transaction to produce and retain written records, including the name of the financial institutions solicited, price/rate quoted, general description of the security, bid/offer selected, and any consideration that had an impact on the decision.

If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original

issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

12. Preformatted Wire Transfers

Wherever possible, the District will use preformatted wire transfers to restrict the transfer of funds to preauthorized accounts only. When transferring funds to an account not previously approved, the bank is required to call back a second employee for confirmation that the transfer is authorized.

13. 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.[3] The only exception to the foregoing shall be depository accounts and securities purchases made with (a) Local Agency Investment Fund (LAIF) AND local government investment pools; (b) placement certificates of deposit; and (c) money market mutual funds, since the purchased securities are not deliverable.

No outside broker/deal 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 the investment officer or designee.

14. Internal Controls

Investment duties shall be separated by having at least three persons perform the following functions for any particular investment: the recordation of investments and disbursements, confirmation receipts, the preparation of investment reports, wire transfers, bank reconciliations and treasury reconciliations. An independent analysis by the external auditor

[3] Section 53601. Authorized Investments, circumstances. A local agency purchasing or obtaining any security . . . shall require delivery of the securities to the local agency . . . by book entry, physical delivery or by third party custodial agreement.

shall be conducted annually to screen internal control, account activity, including verification of all securities, and compliance with policies and procedures.

15. Interest Earnings

All interest earned on investments authorized by the Policy shall be allocated quarterly.

16. Approval of Investment Policy and Review

The investment policy and any modifications to the policy shall be formally approved and adopted by resolution of the governing board on an annual basis. The investment policy shall be reviewed during the second quarter of each fiscal year by the Board of Directors and any modifications made thereto must be approved by the Board of Directors in order to insure consistency and its relevance to current law, and financial and economic trends.

17. Performance Standards/Evaluation

The investment portfolio will be managed in accordance with the standards established within this investment policy and will use an industry benchmark of like investment types that maintain a target duration and credit quality that are commensurate with the District's current investment goals.

18. Reporting

The General Manager or designee shall prepare a quarterly investment report that shall include a complete description of the portfolio, type of investments, issuers, maturity dates, par values and current market values of each component of the portfolio, list of transactions, including funds managed for the District by third party contract managers. This report shall include all items listed in Section 53646(b) of the California Government Code. The report will include a certification that:

a. All investment actions executed since the last report have been made in full compliance with this policy, and

b. The report shall include a statement denoting the ability of the District to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

TUOLUMNE UTILITIES DISTRICT

INVESTMENT POLICY

1. Policy Statement

This policy is intended to provide guidelines for the prudent investment of the Tuolumne Utilities District's (District) funds in conformance with California Government Code requirements governing the investment of public funds. Funds will be managed to provide for daily cash flow requirements and to meet the objectives of this policy. The ultimate goal is to enhance the economic status of the District consistent with the prudent protection of the District's investments. This investment policy has been prepared in conformance with all pertinent existing laws of the State of California including California Government Code Sections 53600, *et seq*.

2. Scope

It is intended that this policy cover all funds and investment activities of the District. These funds are defined and detailed in the District's Annual Financial Report and include any new funds unless specifically excluded by District management and the Board of Directors.

3. Standards of Care

3.1. Prudence

All participants in the investment process shall recognize that the investment program is subject to public review and evaluation.

Pursuant to California Government Code, Section 53600.3, all persons authorized to make investment decisions on behalf of the District are trustees and therefore fiduciaries subject to the *Prudent Investor Standard*:

> "…all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. 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. Within

the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

The investment officer and designees, acting in accordance with the 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 appropriate action is taken to control adverse developments.

3.2. Delegation of Authority

Governing Body – Authority to manage the District's investment program is derived from California Government Code, Sections 41006 and 53600 *et seq.* The Board of Directors will retain ultimate fiduciary responsibility for the portfolio. The governing body will receive quarterly reports, designate investment officers and annually review the investment policy making any changes necessary by adoption.

Investment Officers – The Board of Directors hereby delegates management authority and responsibility for implementing the investment policy to the General Manager or designee, hereinafter referred to as investment officer. The investment officer will be responsible for all transactions undertaken and will establish a system of procedures and controls to regulate the activities of subordinate officials and employees. Such procedures will 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 procedures established by the investment officer.

Investment Advisers – The District may engage the services of one or more external investment advisers who are registered under the Investment Advisers Act of 1940 to assist in the management of the District's investment portfolio in a manner consistent with the District's objectives. Such external managers may be granted discretion to purchase and sell investment securities and shall make all investment decisions and transactions in strict accordance with State and Federal law, this investment policy and such other written instructions as are provided. The performance and service levels of investment advisers and managers shall be reviewed annually.

The District's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The District recognizes that in a diversified portfolio, occasional measured losses may be inevitable and must be

considered within the context of the overall portfolio's return and the cash flow requirements of the District.

3.3. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Employees and investment officers shall disclose any financial interest in financial institutions that conduct business with the District. They shall further disclose any personal financial/investment positions that could be related to the performance of the District's portfolio. Employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the District.

4. Investment Objectives

As specified in Government Code Section 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing the District's funds, the primary objectives, in priority order, of the District's investment activities and of this policy shall be (1) safety, (2) liquidity, and (3) return. It is the policy of the District to invest public funds in a manner to obtain the highest return obtainable with the maximum security while meeting the daily cash flow demands of the District as long as investments meet the criteria established by this policy for safety and liquidity and conform to all laws governing the investment of District funds.

4.1. Safety

Safety of principal is the foremost objective of the District. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the District will diversify its investments by investing funds among a variety of securities with independent returns. Investments shall be made with the aim of avoiding capital losses due to issuer default, broker-dealer default or market value erosion. Diversification strategies shall be determined and revised periodically by the investment officer for all funds.

4.2. Liquidity

The investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements which are reasonably anticipated.

4.3. Return

Return on investments shall be considered only after the basic requirements of safety and liquidity have been met. The District's investment portfolio shall be designed with the objective of attaining market average rate of return throughout budgetary and economic cycles, as long as it does not diminish the objectives of safety and liquidity.

5. Authorized Financial Institutions, Depositories, and Broker/Dealers

To the extent practicable, the Treasurer shall endeavor to complete investment transactions using a competitive bid process whenever possible. For any investment transaction not conducted directly with the issuer, it shall be the District's policy to purchase securities only from authorized institutions and firms. A list will be maintained of authorized financial institutions, depositories, and broker/dealers that are approved for investment services. Selection of financial institutions and broker/dealers authorized to engage in transactions with the District shall be at the sole discretion of the District. A periodic review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the investment officer.

5.1. Depositories

The investment officer shall determine which financial institutions are authorized to provide investment services to the District. No deposit of public funds shall be made except in a qualified public depository as established by state law. Deposits will be insured by the Federal Deposit Insurance Corporation, or, to the extent the amount exceeds the insured maximum, will be collateralized in accordance with State law.

The District shall contract with a bank or banks with federally insured deposits for the safekeeping services through a third party custodial agreement, (California Government Code Section 53601)

All securities owned by the District shall be held by the District or by its third party custodian, except the collateral for time deposits in banks, savings banks, and savings and loan associations. The collateral for time deposits in banks and savings and loans shall be held in a trust account in the District's name. Dealers and brokers shall not hold

any securities for the District. A broker is not an approved depository under California Government Code Section 53630(c)[1], and Section 53608[2].

5.2. Brokers and Dealers

The investment officer shall maintain a list of authorized broker/dealers that are approved for investment purposes. All broker/dealers who desire to become qualified for investment transactions with the District must supply the following as appropriate and deemed by the District:

- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- Proof of FINRA certification
- Proof of state registration
- Completed broker/dealer questionnaire (not applicable to Certificate of Deposit counterparties)
- Certification of having read and understood and agreeing to comply with the District's investment policy
- Evidence of adequate insurance coverage
- Information related to pending legal actions against the firm or individual broker(s) of the firm
- Evidence that broker markets securities appropriate to the District's needs

Selection of financial institutions and broker/dealers authorized to engage in transactions will be at the sole discretion of the District, except where the District utilizes an external investment adviser in which case the District may rely on the adviser

[1] Section 53630(c) allows state or national banks, state or federal savings banks or savings and loan associations, state or federal credit unions and federally insured industrial loan companies as approved depositories.

[2] Section 53608. Deposit of securities; delegation of authority. The legislative body of a local agency may deposit for safekeeping with a federal or state association, a trust company or a 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 located in any city designated as a reserve city by the Board of Governors of the Federal Reserve System, the bonds, notes, bills debentures, obligations, certificates or indebtedness, warrants, or other evidences of indebtedness in which the money of the local agency is invested pursuant to this article or pursuant to other legislative authority. The local agency shall take from such financial institution a receipt for securities so deposited, the authority of the legislative body to deposit for safekeeping may be delegated by the legislative body to the treasurer of the local agency, the treasurer shall not be responsible for securities delivered to and receipted for by a financial institution until they are withdrawn from the financial institution by the treasurer.

for selection. Selection of broker/dealers used by an external investment adviser retained by the District will be at the sole discretion of the adviser.

6. Authorized and Suitable Investments

6.1. Investment Types and Credit Guidelines

The District is provided a broad spectrum of eligible investments under California Government Code Sections 53600 *et seq.* (authorized investments), 53630–53686 (deposits and collateral), and 16429.1 (Local Agency Investment Fund). The District seeks to further restrict its permitted investments to a smaller list of securities that more closely fits the District's cash flow needs and requirements for liquidity. In the event a discrepancy is found between this policy and the Code, the more restrictive parameters will take precedence. Percentage holding limits listed in this section apply at the time the security is purchased.

Any investment currently held at the time the policy is adopted which does not meet the new policy guidelines can be held until maturity and shall be exempt from the current policy. At the time of the investment's maturity or liquidation, such funds shall be reinvested only as provided in the current policy.

An appropriate risk level shall be maintained by primarily purchasing securities that are of high quality, liquid, and marketable. The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual issuers.

Within the context of these limitations, the following investments are authorized:

1. **Municipal Securities** include obligations of the District, the State of California and any local agency within the State of California, provided that:

    - The securities are rated in a rating category of "A" or its equivalent or better by at least one nationally recognized statistical rating organization ("NRSRO").
    - No more than 5% of the portfolio may be invested in any single issuer.
    - No more than 30% of the portfolio may be in Municipal Securities.
    - The maximum maturity does not exceed five (5) years.

2. **Municipal Securities (Registered treasury notes or bonds)** of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

    - The securities are rated in a rating category of "A" or its equivalent or better by at least one nationally recognized statistical rating organization ("NRSRO").
    - No more than 5% of the portfolio may be invested in any single issuer.
    - No more than 30% of the portfolio may be in Municipal Securities.
    - The maximum maturity does not exceed five (5) years.

3. **U.S. Treasuries** and other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest. There are no limits on the dollar amount or percentage that the District may invest in U.S. Treasuries, provided that:

    - The maximum maturity is five (5) years.

4. **Federal Agencies** 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. There are no limits on the dollar amount or percentage that the District may invest in Federal Agency or Government-Sponsored Enterprises (GSEs), provided that:

    - No more than 30% of the portfolio may be invested in any single Agency/GSE issuer.
    - The maximum maturity does not exceed five (5) years.
    - The maximum percent of agency callable securities in the portfolio will be 20%.

5. **Banker's Acceptances,** provided that**:**

    - They are issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term debt obligations which are rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
    - No more than 40% of the portfolio may be invested in Banker's Acceptances.

- No more than 5% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed 180 days.

6. **Commercial Paper**, provided that the securities are issued by an entity that meets all of the following conditions in either paragraph (a) or (b) and other requirements specified below:

   a. **Securities** issued by corporations:

      (i) A corporation organized and operating in the United States with assets more than $500 million.

      (ii) The securities are rated "A-1" or its equivalent or better by at least one NRSRO.

      (iii) If the issuer has other debt obligations, they must be rated in a rating category of "A" or its equivalent or better by at least one NRSRO.

   b. **Securities** issued by other entities:

      (i) The issuer is organized within the United States as a special purpose corporation, trust, or limited liability company.

      (ii) The securities must have program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.

      (iii) The securities are rated "A-1" or its equivalent or better by at least one NRSRO.

   - No more than 10% of the outstanding commercial paper of any single issuer.
   - No more than 25% of the portfolio may be invested in Commercial Paper.
   - No more than 5% of the portfolio may be invested in any single issuer.
   - The maximum maturity does not exceed 270 days.

7. **Negotiable Certificates of Deposit (NCDs)**, issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank, provided that:

   - The amount of the NCD insured up to the FDIC limit does not require any credit ratings.
   - Any amount above the FDIC insured limit must be issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at

least one NRSRO; or long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO.

- No more than 30% of the total portfolio may be invested in NCDs (combined with CDARS).
- No more than 5% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

8. **Federally Insured Time Deposits** (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions, provided that:

    - The amount per institution is limited to the maximum covered under federal insurance.
    - No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
    - The maximum maturity does not exceed five (5) years.

9. **Collateralized Time Deposits** (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions in excess of insured amounts which are fully collateralized with securities in accordance with California law, provided that:

    - No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
    - The maximum maturity does not exceed five (5) years.

10. **Certificate of Deposit Placement Service (CDARS)**, provided that:

    - No more than 30% of the total portfolio may be invested in a combination of Certificates of Deposit, including CDARS.
    - The maximum maturity does not exceed five (5) years.

11. **Collateralized Bank Deposits.** District's deposits with financial institutions will be collateralized with pledged securities per California Government Code, Section 53651. There are no limits on the dollar amount or percentage that the District may invest in collateralized bank deposits.

12. **Repurchase Agreements** collateralized with securities authorized under California Government Code, maintained at a level of at least 102% of the market value of the

Repurchase Agreement. There are no limits on the dollar amount or percentage that the District may invest, provided that:

- Securities used as collateral for Repurchase Agreements will be delivered to an acceptable third party custodian.
- Repurchase Agreements are subject to a Master Repurchase Agreement between the District and the provider of the repurchase agreement. The Master Repurchase Agreement will be substantially in the form developed by the Securities Industry and Financial Markets Association (SIFMA).
- The maximum maturity does not exceed one (1) year.

13. **State of California Local Agency Investment Fund (LAIF)**, provided that:

- The District may invest up to the maximum amount permitted by LAIF.
- LAIF's investments in instruments prohibited by or not specified in the District's policy do not exclude the investment in LAIF itself from the District's list of allowable investments, provided LAIF's reports allow the Treasurer to adequately judge the risk inherent in LAIF's portfolio.

14. **Local Government Investment Pools**

- Other LGIPs permitted by client.
- There is no issuer limitation for Local Government Investment Pools

15. **Corporate Medium Term Notes (MTNs)**, provided that:

- The issuer is a corporation 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.
- The securities are rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
- No more than 30% of the total portfolio may be invested in MTNs.
- No more than 5% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

16. **Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations from issuers not defined in sections 3 and 4 of the Authorized Investments section of this policy**, provided that:

- The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
- No more than 20% of the total portfolio may be invested in these securities.
- No more than 5% of the portfolio may be invested in any single Asset-Backed or Commercial Mortgage security issuer.
- The maximum legal final maturity does not exceed five (5) years.

17. **Mutual Funds and Money Market Mutual Funds** that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, provided that:

    a. **Mutual Funds** that invest in the securities and obligations as authorized under California Government Code, Section 53601 (a) to (k) and (m) to (q) inclusive and that meet either of the following criteria:

        (i) Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or

        (ii) Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of $500 million.

    - No more than 10% of the total portfolio may be invested in shares of any one mutual fund.

    b. **Money Market Mutual Funds** registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and issued by diversified management companies and meet either of the following criteria:

        (i) Have attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or

        (ii) Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of $500 million.

- No more than 20% of the total portfolio may be invested in the shares of any one Money Market Mutual Fund.

c. No more than 20% of the total portfolio may be invested in these securities.

18. Supranationals, provided that:

- Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.
- The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
- No more than 30% of the total portfolio may be invested in these securities.
- No more than 10% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

6.2. Prohibited Investments

Section 53601.6 of the Government Code, as it may be amended from time to time, 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 mortgages, or any investment that could result in zero interest earned if held to maturity. Under a provision sunsetting on January 1, 2026, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted. Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited. Purchasing or selling securities on margin is prohibited. The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited. The purchase of foreign currency denominated securities is prohibited.

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- Financial institutions shall mark the value of the collateral to market at least monthly and increase or decrease the collateral to satisfy the ratio requirement described above.
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To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities.

The District will not invest in securities maturing more than five (5) years from the date of trade settlement, unless the Governing Body has by resolution granted authority to make such an investment.

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Mitigating Credit Risk in the Portfolio: Credit risk is the risk that a security or a portfolio will lose some or all its value due to a real or perceived change in the ability of the issuer to repay its debt. The District will mitigate credit risk by adopting the following strategies:

- The diversification requirements included in the "Authorized Investments" section of this policy are designed to mitigate credit risk in the portfolio.
- No more than 5% of the total portfolio may be deposited with or invested in securities issued by any single issuer unless otherwise specified in this policy.
- The District may elect to sell a security prior to its maturity and record a capital gain or loss in order to manage the quality, liquidity or yield of the portfolio in response to market conditions or District's risk preferences.
- If a security owned by the District is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken:
    - Any actions taken related to the downgrade by the investment manager will be communicated to the Treasurer in a timely manner.
    - If a decision is made to retain the security, the credit situation will be monitored and reported to the Governing Body.

Mitigating Market Risk in the Portfolio: Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. The District recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The District will mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes.

The District further recognizes that certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The District, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

- The District will maintain a minimum of six months of budgeted operating expenditures in short term investments to provide sufficient liquidity for expected disbursements.
- The maximum stated final maturity of individual securities in the portfolio will be five (5) years, except as otherwise stated in this policy.
- The duration of the portfolio will generally be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by the District based on the District's investment objectives, constraints and risk tolerances.

11. Competitive Transactions

It is the District's policy to transact all securities purchases and sales through a formal and competitive processing requiring the solicitation and evaluation of at least three separate brokers/financial institutions or through the use of a nationally recognized trading platform whenever possible. It will be the responsibility of the personnel involved in each transaction to produce and retain written records, including the name of the financial institutions solicited, price/rate quoted, general description of the security, bid/offer selected, and any consideration that had an impact on the decision.

If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original

issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

12. Preformatted Wire Transfers

Wherever possible, the District will use preformatted wire transfers to restrict the transfer of funds to preauthorized accounts only. When transferring funds to an account not previously approved, the bank is required to call back a second employee for confirmation that the transfer is authorized.

13. 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.[3] The only exception to the foregoing shall be depository accounts and securities purchases made with (a) Local Agency Investment Fund (LAIF) AND local government investment pools; (b) placement certificates of deposit; and (c) money market mutual funds, since the purchased securities are not deliverable.

No outside broker/deal 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 the investment officer or designee.

14. Internal Controls

Investment duties shall be separated by having at least three persons perform the following functions for any particular investment: the recordation of investments and disbursements, confirmation receipts, the preparation of investment reports, wire transfers, bank reconciliations and treasury reconciliations. An independent analysis by the external auditor

[3] Section 53601. Authorized Investments, circumstances. A local agency purchasing or obtaining any security . . . shall require delivery of the securities to the local agency . . . by book entry, physical delivery or by third party custodial agreement.

shall be conducted annually to screen internal control, account activity, including verification of all securities, and compliance with policies and procedures.

15. Interest Earnings

All interest earned on investments authorized by the Policy shall be allocated quarterly.

16. Approval of Investment Policy and Review

The investment policy and any modifications to the policy shall be formally approved and adopted by resolution of the governing board on an annual basis. The investment policy shall be reviewed during the second quarter of each fiscal year by the Board of Directors and any modifications made thereto must be approved by the Board of Directors in order to insure consistency and its relevance to current law, and financial and economic trends.

17. Performance Standards/Evaluation

The investment portfolio will be managed in accordance with the standards established within this investment policy and will use an industry benchmark of like investment types that maintain a target duration and credit quality that are commensurate with the District's current investment goals.

18. Reporting

The General Manager or designee shall prepare a quarterly investment report that shall include a complete description of the portfolio, type of investments, issuers, maturity dates, par values and current market values of each component of the portfolio, list of transactions, including funds managed for the District by third party contract managers. This report shall include all items listed in Section 53646(b) of the California Government Code. The report will include a certification that:

a. All investment actions executed since the last report have been made in full compliance with this policy, and

b. The report shall include a statement denoting the ability of the District to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

TUOLUMNE UTILITIES DISTRICT

Agenda Item No.III.5

MEMORANDUM

Board Meeting of February 8, 2022

To:	Tuolumne Utilities District Board of Directors
From:	Don Perkins, General Manager
Agenda Section:	Regular Business
Subject:	Public Hearing: Consider the Proposal to Establish Five (5) District Boundaries for District-Based Elections

Summary

Recommendation:
None. Information only

Issue:
The Board approved to convert the TUD Board of Directors from an At-Large Election process to Elections by District/Division at the board meeting held on October 12, 2021. TUD has entered into an agreement with Redistricting Insights to assist TUD with drawing a legally permissible map for the Board of Directors elections for 2022. This districting process includes being compliant with the California and Federal Voting Rights Acts, the Fair Maps Act, and ensuring an open, accessible, transparent process that will engage constituents within the district.

Fiscal Impact:
Redistricting Insights proposal $25,000.

Previously Related Action:
The Board approved to convert the TUD Board of Directors from an At-Large Election process to Elections by District/Division at the board meeting held on October 12, 2021. Don Perkins, General Manager, executed an agreement with Redistricting Insights on December 19, 2021.

Committee Status:
Not applicable.

Adherence to Policy: Not applicable.

Discussion

Matt Rexroad and Fabian Valdez Jr. of Redistricting Insights will provide a PowerPoint presentation to outline the districting process: present a suggested timeline, plan, discuss mapping, demographics, and community engagement.

Attachments:

Board Action:	Resolution No. _____ Motion by _____ Second by _____
	Ayes: _____ Noes: _____
	Absent: _____ Abstained: _____ Recuse: _____