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

DIRECTORS
Barbara Balen
David Boatright
Jeff Kerns
Ron W. Ringen

Regular Board Meeting Agenda
Tuesday, January 24, 2023 - 9:00 a.m.
TUD Board Room
18885 Nugget Blvd., Sonora, California

Public Participation Procedures:
During the Board meeting, members of the public who wish to provide public comment will be invited to do so by the Board President. Members of the public who are physically present will be called first. Members of the public who are not present and wish to provide remote public comment via Zoom may use the 'Raise Hand' feature on their computer or press *9 if participating by phone.

Notice: Pursuant to AB 361 members of the Board of Directors can participate by teleconference.

Information to join meeting via Zoom:

- **Via video conferencing at:**
  https://us02web.zoom.us/j/83135358743?pwd=YzFpNUd6ZTBJZ25yMDFTOFdGbEpDUT09
- **Via teleconference by calling (253) 215-8782 or (301) 715-8592**
- **US Meeting ID: 831 3535 8743**
- **Password: 089117**
- **Public may observe and listen to this meeting 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 10, 2023
2. Investment Report as of December 31, 2022

III. **Regular Business**

3. Consider Adopting a Resolution Authorizing the Submission of a Department of Water Resources Urban Drought 2022 Tuolumne Utilities District Grant Proposal for the Phoenix Lake Dredging and Bypass Pipeline Project and the Sediment Basin and Wetland Enhancement Project
4. Consider Approving a Resolution Adopting the District Investment Policy
5. Consider Approving a Cost Reimbursement Agreement between Tuolumne Utilities District and Chicken Ranch Rancheria
6. Discussion Regarding Assembly Bill 2449 – Enhanced Teleconferencing and Recent Developments Relating to Assembly Bill 361
7. Discussion and Approval of Timeline for the Selection of a Candidate to Fill the Vacancy on the Board of Directors

IV. **Staff Reports**

V. **Directors Communication and Reports**

VI. **Closed Session**

a. Conference with Real Property Negotiators
Property APN # 083-200-002
Agency Negotiators: Don Perkins, Erik Johnson
Other Party to Negotiations: Christopher and Tessa Hatler
Under Negotiation: Price and Terms of Payment

VII. **Reconvene to Open Session**

b. Closed Session Disclosure

c. Consider Executing a Purchase and Sale Agreement with Christopher and Tessa Hatler for 0.295 Acre Parcel in the Cedar Ridge Area

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 January 24, 2023

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 10, 2023

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 10, 2023 Regular Board Meeting Minutes

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

TUOLUMNE UTILITIES DISTRICT
REGULAR MEETING MINUTES
JANUARY 10, 2023

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 Assembly Bill 361; and the Federal Americans with Disabilities Act. AB 361 allows the Board of Directors to participate by teleconference. Members of the public were able to provide oral comments in-person or telephonically using Zoom during the meeting.

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

The following Directors and staff were present:

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

Don Perkins, General Manager
Erik Johnson, District Engineer
Steve Sheffield, Finance Director
Abby Parcon, Administrative Services Director
Melissa McMullen, Executive Secretary/Board Clerk

Call to Order
Pledge of Allegiance

I. Public Forum

Sally Rhodes addressed the Board regarding the Phoenix Lake Preservation and Restoration Project.

II. Consent Calendar

1. Minutes of the Regular Board Meeting of December 13, 2022

2. Approval of Reimbursement Claims for Directors Statement of Meetings Attended and/or Travel Expenses and Claim Summary for December 2022

3. Consider Adopting a Subsequent Resolution No. 1-23 Making Findings in Support of Allowing Remote Meetings Pursuant to AB 361

Director Ringen pulled item #2 for further discussion.

No public comment was heard.

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

III. Regular Business

4. Board to Discuss the Resignation of Director Lisa Murphy

Director Murphy stated that she would like to submit her resignation from the Tuolumne Utilities District Board of Directors due to relocating out of the area. Director Murphy stated that her resignation is effective immediately. (January 10, 2023 at 9:15 a.m.) Director Murphy thanked the community and District staff. The Board and staff thanked Director Murphy for her service.

No public comment was heard.

5. Cost of Service Analysis Preliminary Report

Don Perkins began discussion of this item and Steve Sheffield presented a Cost of Services Analysis and responded to questions. This analysis is part of the District's overall commitment to: (1) provide safe, reliable and high-quality water and sewer services, (2) operate in a fiscally responsible manner regardless of the economic cycle, (3) comply with all federal and state laws and regulations, and (4) continue implementation of a business model that maintains revenue stability and manages debt

Public comment was heard.

The consensus of the Board is to direct staff to prepare a Cost of Services Rate Study Report for presentation at the February 14, 2023 Board meeting.

6. Consider Approving a Resolution Adopting the District Credit Card Policy

Steve Sheffield presented a summarization of the request to approve a Resolution adopting the District Credit Card Policy and responded to questions.

No public comment was heard.

Director Boatright arrived at 10:21a.m.

Director Balen moved to adopt Resolution No. 2-23 adopting the District Credit Card Policy with the following amendments: 1. Increase Credit Card Limit for Executive Secretary/Board Clerk from $5,000 to $10,000 and issue a District Credit Card to each Director. Director Ringen seconded the motion and it was approve (3-1).

Ayes: Director Ringen, Vice President, Director Balen, Director Boatright
Noes: Director Kerns, President

IV. Staff Reports

Don Perkins reported on the following items:
-Recent storms, and staff responses

Abby Parcon reported on the following items:
-Email and/or phone message received from a member of the public extending appreciation for District staff

V. Directors Communication and Reports

Director Ringen reported on the following items:
-January 4, 2023: Attended the Tuolumne County Natural Resources Committee meeting

Director Kerns reported on the following items:
-Process to fill the newly vacant Directors seat will be coming before the Board at an upcoming meeting

Adjournment

The meeting was adjourned at 10:52 a.m.

Date: January 24, 2023

ATTEST:

Jeff Kerns, President
Board of Directors

Melissa McMullen,
Executive Secretary/Board Clerk

TUOLUMNE UTILITIES DISTRICT

Agenda Item No.II.2

MEMORANDUM

Board Meeting of January 24, 2023

To: Tuolumne Utilities Board of Directors

From: Stephen M. Sheffield, CPA, Finance Director

Agenda Section: Consent Calendar

Subject: Investment Report as of December 31, 2022

Summary

Recommendation: It is recommended that the Board accept and file this report.

Issue: Presentation of the quarterly investment report as of December 31, 2022.

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

Previously Related Action: At its February 8th, 2022, meeting the Board adopted the District Investment Policy.

Committee Status: not applicable.

Adherence to Policy: Pursuant to the Board adopted Investment Policy, a quarterly investment report shall be prepared that includes 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. This report includes the certification that:

a. All investment actions executed since the last report have been made in full compliance with this policy, and
b. The District can meet its expenditure requirements for the next six months.

Discussion: The total combined market value on December 31, 2022, was $19,424,439 with $9,911,991 held by the Local Agency Investment Fund (LAIF), and the remaining $9,512,448 held by US Bank as custodian with Chandler Asset Management as portfolio manager.

Attachments:

- Quarterly Investment Report as of December 31, 2022

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

INVESTMENT REPORT

CHANDLER ASSET MANAGEMENT

Tuolumne Utilities District

Period Ending December 31, 2022

CHANDLER ASSET MANAGEMENT, INC. | 800.317.4747 | www.chandlerasset.com

Table of Contents

As of December 31, 2022

SECTION 1	**Economic Update**
SECTION 2	**Account Profile**
SECTION 3	**Consolidated Information**
SECTION 4	**Portfolio Holdings**
SECTION 5	**Transactions**

Section 1 | Economic Update

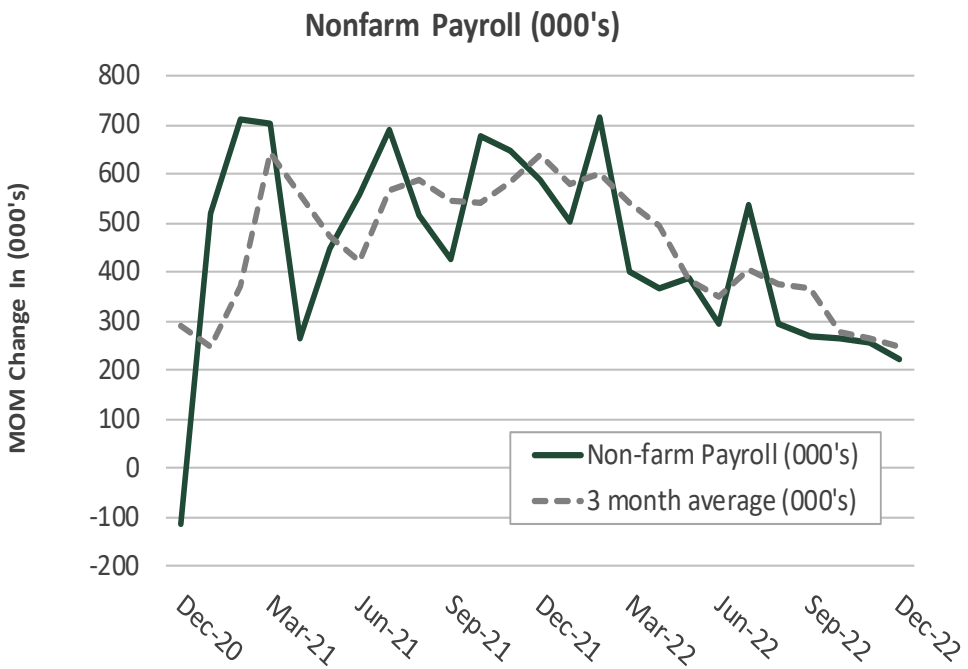
Economic Update

- Market volatility has intensified as global central banks pursue monetary policies to combat persistently high inflation. Although the pace of job growth is moderating, the strength of the labor market has sustained economic growth. Inflation metrics are trending downward but remain significantly higher than the Fed's target. While evidence of slower economic conditions has begun to mount, we expect the Federal Reserve to continue to raise rates to battle inflation, albeit at a less aggressive pace. Over the near-term, we expect financial market volatility to remain intensified with persistent inflation, geopolitical risk, and the Fed's hawkish monetary policy.

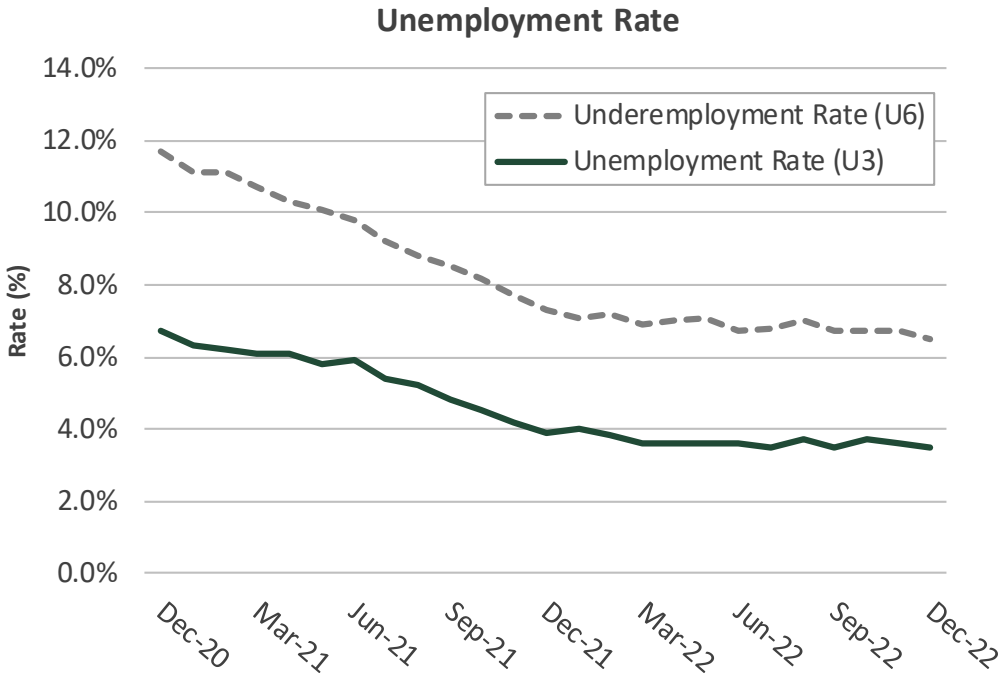
- As expected at the December 14th meeting, the Federal Open Market Committee (FOMC) raised the fed funds target rate by 50 basis points to a range of 4.25 – 4.50%, in a downshift from four consecutive 75 basis point hikes. The decision was unanimous, and there was no change to the November statement. The sentiment was hawkish, indicating that "ongoing increases" in the fed funds rate are likely appropriate and citing continued labor market imbalances. FOMC members forecasted a higher fed funds rate, slower GDP growth, higher inflation, and higher unemployment in 2023 than in the September projections. We believe the FOMC will continue to implement tighter monetary policy at a slower pace and hold rates at restrictive levels for some time until inflationary pressures subside and remain in the Fed's target range.

- In December, yields rose, and the curve became less inverted. The 2-year Treasury yield increased 12 basis points to 4.43%, the 5-year Treasury yield rose 27 basis points to 4.01%, and the 10-year Treasury yield climbed 27 basis points to 3.88%. The inversion between the 2-year Treasury yield and 10-year Treasury yield narrowed to -55 basis points at December month-end versus -71 basis points at November month-end. The spread was a positive 78 basis points one year ago. The inversion between 3-month and 10-year treasuries narrowed to -50 basis points in December from -74 basis points in November. The year 2022 saw a dramatic shift in the Federal Reserve's policy from highly accommodative to aggressive tightening, resulting in significantly higher rates and an inverted yield curve. The shape of the yield curve indicates that the probability of recession is increasing.

Employment



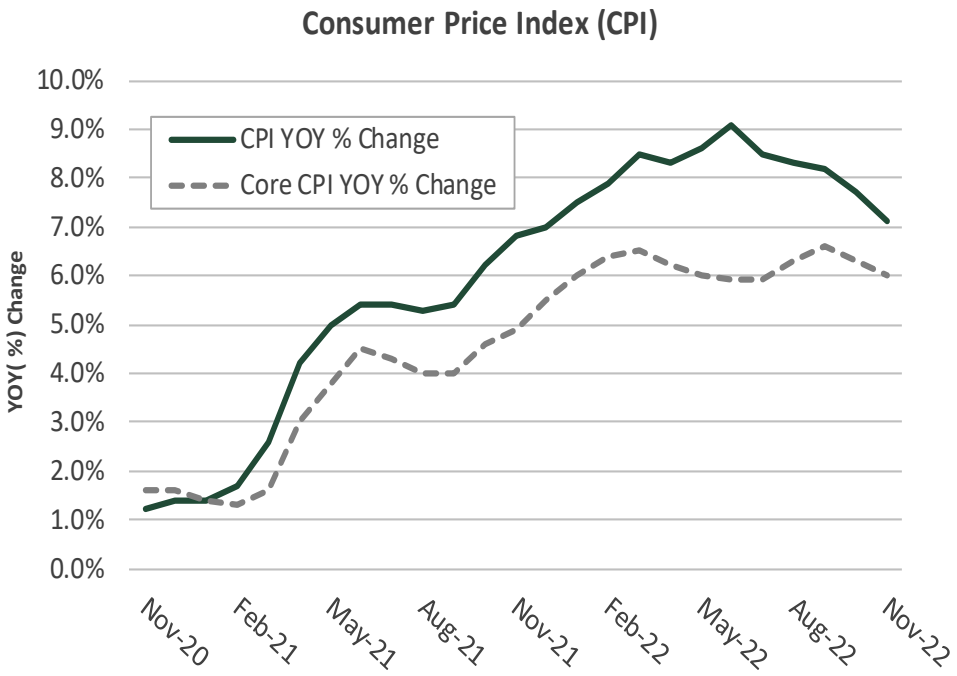
Source: US Department of Labor



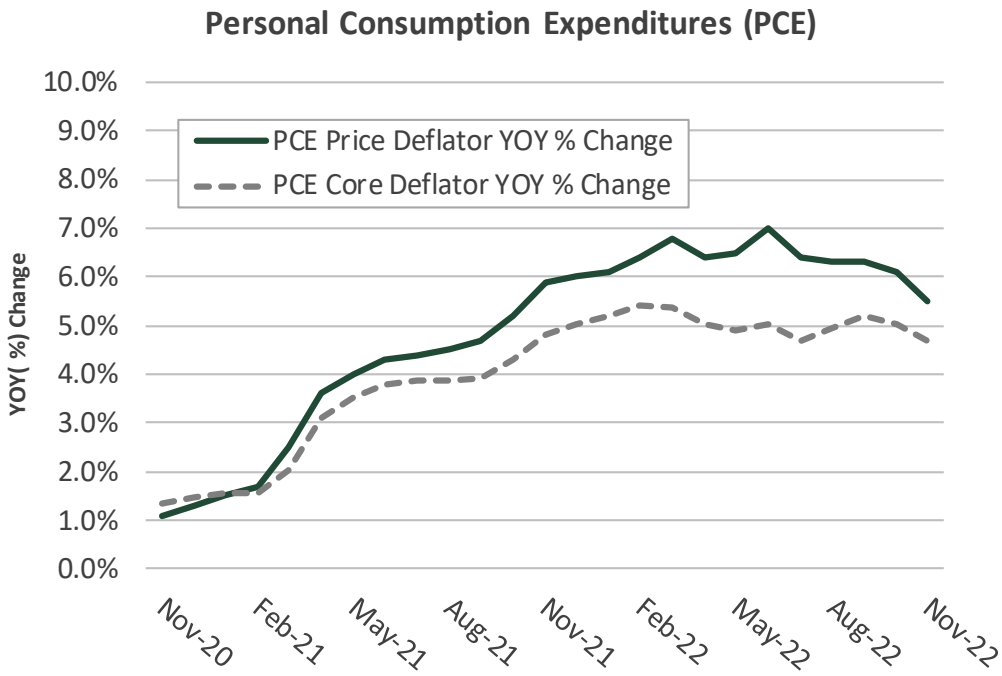
Source: US Department of Labor

The U.S. economy added 223,000 jobs in December, slightly higher than market expectations of 203,000, but a decline from November's revised increase of 256,000. Trends in employment remain healthy, with the three-month moving average payrolls at 247,000 and the six-month moving average at 307,000. Jobs in the goods producing sector were surprisingly strong, and leisure and hospitality employment growth remained solid. The unemployment rate dipped to 3.5%, returning to its pre-pandemic level. The labor participation rate increased only slightly to 62.3% in December from 62.1% in November, indicating the supply of labor remains challenging for employers. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons declined to 6.5% from the prior month at 6.7%. Average hourly earnings rose 4.6% year-over-year in December, down from a revised 4.8% increase in November. Overall, the December employment report demonstrates a strong demand for labor and supports the case for the Fed to continue raising the federal funds rate, but perhaps at a slower pace.

Inflation



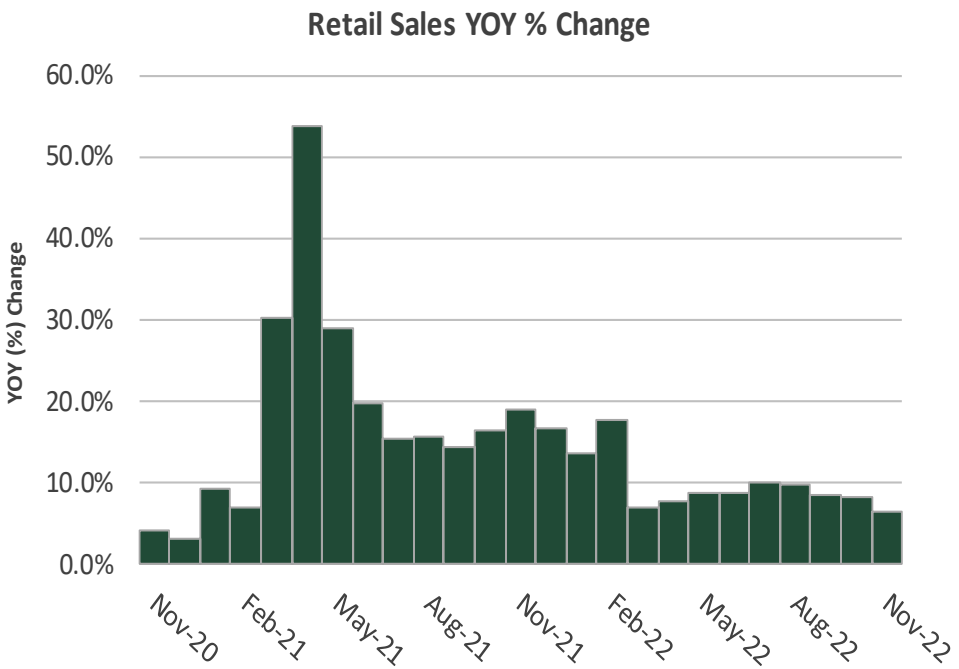
Source: US Department of Labor



Source: US Department of Commerce

The Consumer Price Index (CPI) increased less than expected in November, up 7.1% year-over-year versus consensus expectations for 7.3%, and down from 7.7% in October. The Core CPI, which excludes volatile food and energy components, rose 6.0% year-over-year, down from a 6.3% increase in October. The pace of price gains for used cars and energy decelerated; however, shelter and food prices remain stubbornly high. The Personal Consumption Expenditures (PCE) index rose 5.5% year-over-year in November, versus an upwardly revised 6.1% year-over-year gain in October. Core PCE increased 4.7% year-over-year in November versus a 5.0% year-over-year gain in October. Although inflation may have peaked, levels remain well above the Fed's target of around 2%, which is likely to keep the Federal Reserve on the path of tightening monetary policy, albeit at a less aggressive pace.

Consumer

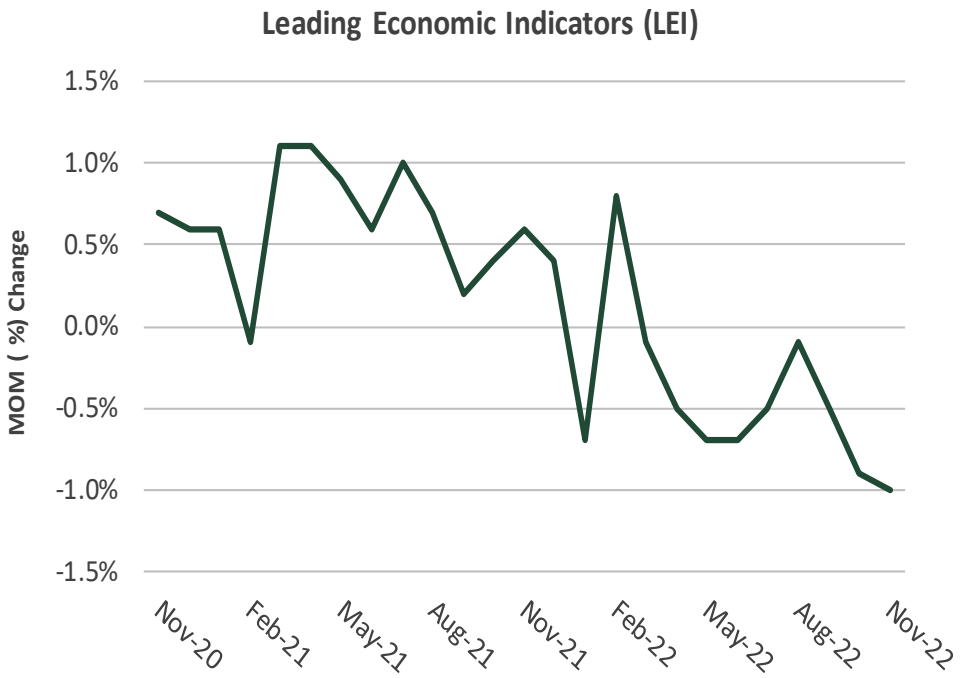


Source: US Department of Commerce

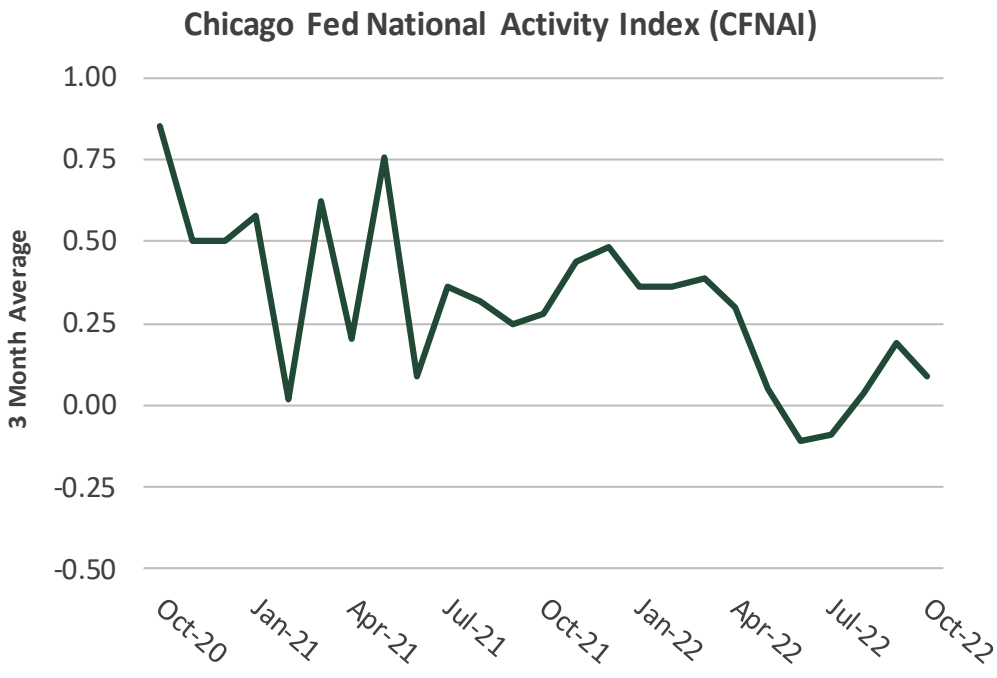
Source: The Conference Board

Advance Retail Sales declined more than expected in November at -0.6% month-over-month and +6.5% year-over-year, possibly suggesting some loss of momentum in consumer demand for goods amid high inflation and shifting preferences toward services. Additionally, Amazon's Prime Day may have pulled some holiday spending activity forward into October from November. The Conference Board's Consumer Confidence Index jumped more than expected to 108.3 in December from an upwardly revised 101.4 in November. Views of current conditions and the future outlook for the economy both improved as inflation expectations declined.

Economic Activity



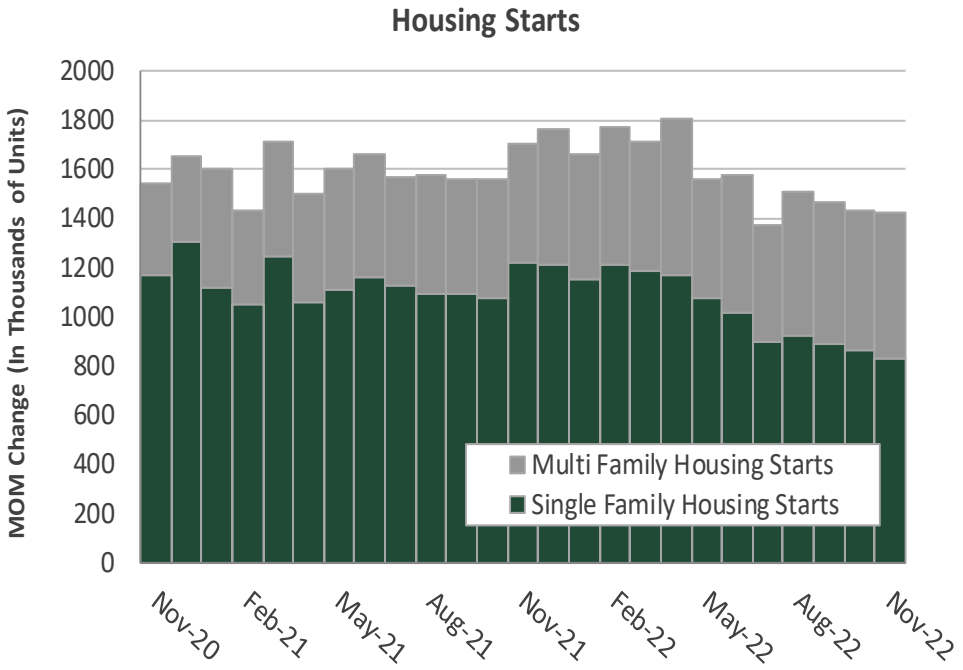
Source: The Conference Board



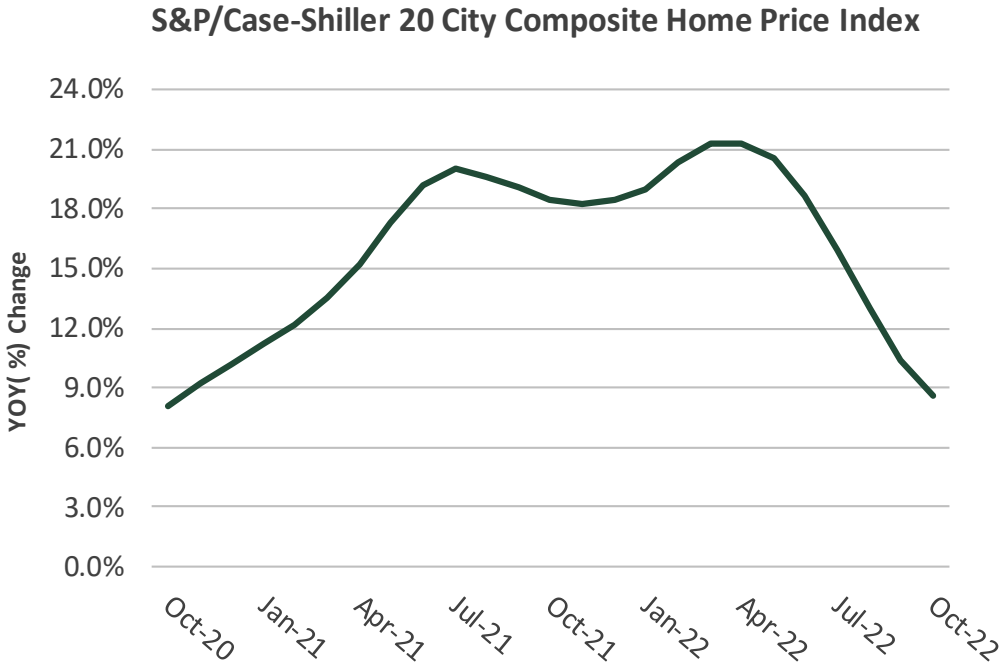
Source: Federal Reserve Bank of Chicago

The Conference Board's Leading Economic Index (LEI) remained in negative territory for the ninth consecutive month at a worse than expected -1.0% in November, following a downwardly revised -0.9% in October. The LEI was down 4.5% year-over-over in November versus down 2.9% in October. The Conference Board cited a "lack of economic growth momentum in the near term." The Chicago Fed National Activity Index (CFNAI) decreased to -0.05 in October from +0.17 in September indicating below trend growth over the month. On a 3-month moving average basis, the CFNAI moved down to +0.09 in October from an upwardly revised +0.19 in September.

Housing



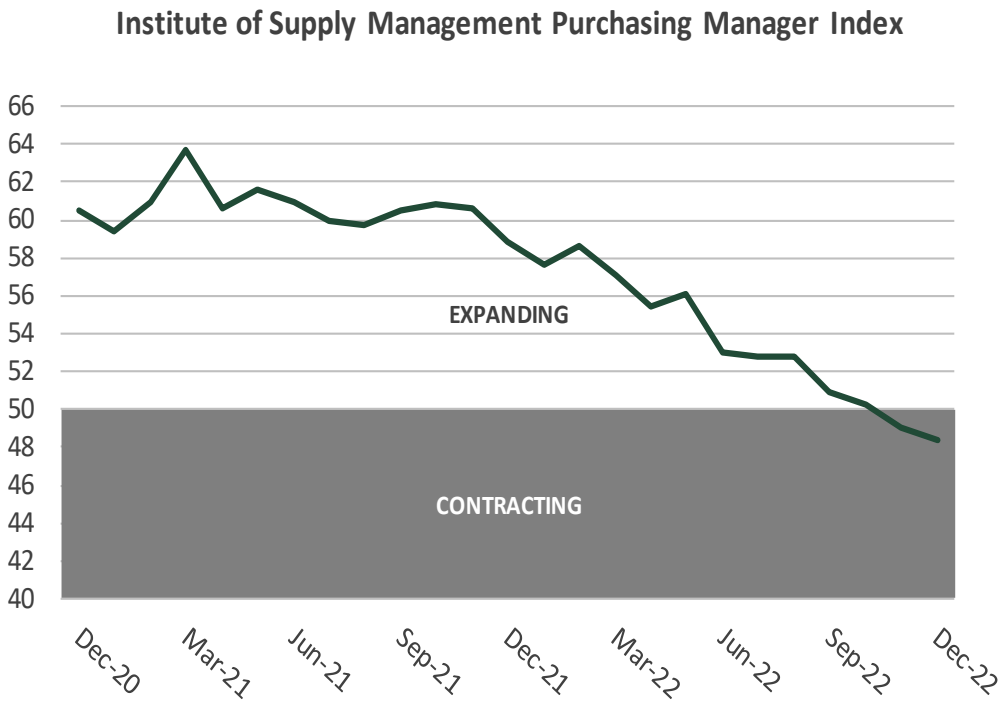
Source: US Department of Commerce



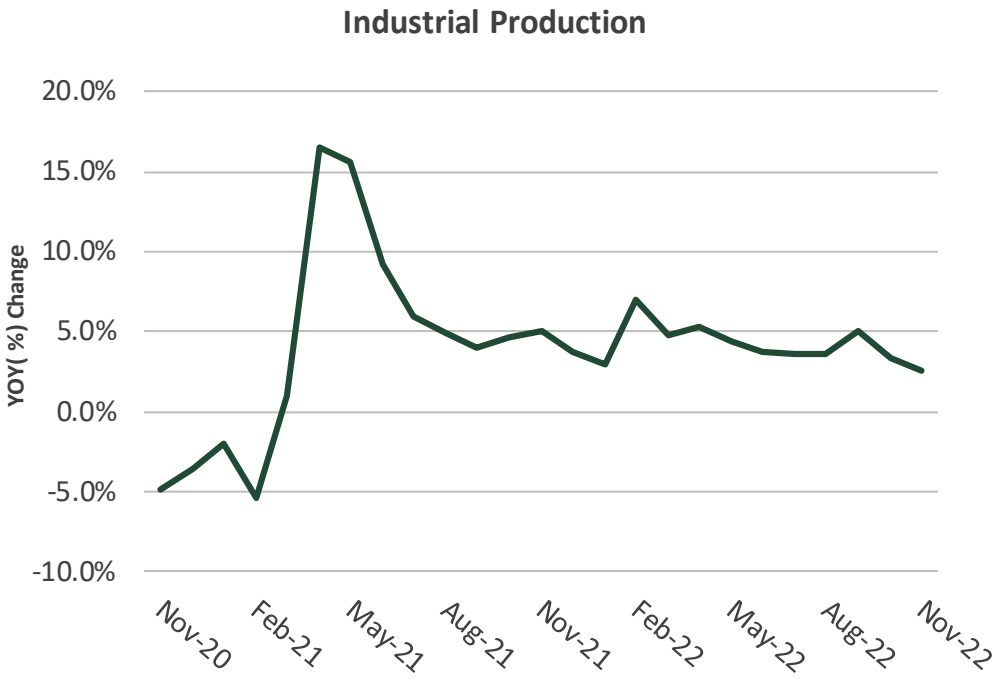
Source: S&P

Total housing starts declined 0.5% in November to 1,427,000 units after an upward revision to 1,434,000 units in October. Single-family home starts fell 4.1%, whereas multi-family starts rose 4.9% month-over-month. On a year-over-year basis, total housing starts decreased 16.4% reflecting a shift from single-family units to more affordable multi-family units as homebuyers struggle with a combination of elevated prices and higher mortgage rates. The 30-year mortgage rate has edged up to 6.4% according to Freddie Mac but remains below recent highs which topped 7%. According to the Case-Shiller 20-City Home Price Index, the year-over-year increase continued its declining rate of gain to +8.6% in October from +10.4% in September, clearly displaying the impact of higher mortgage rates which have reduced demand for homebuying as affordability has declined.

Manufacturing



Source: Institute for Supply Management



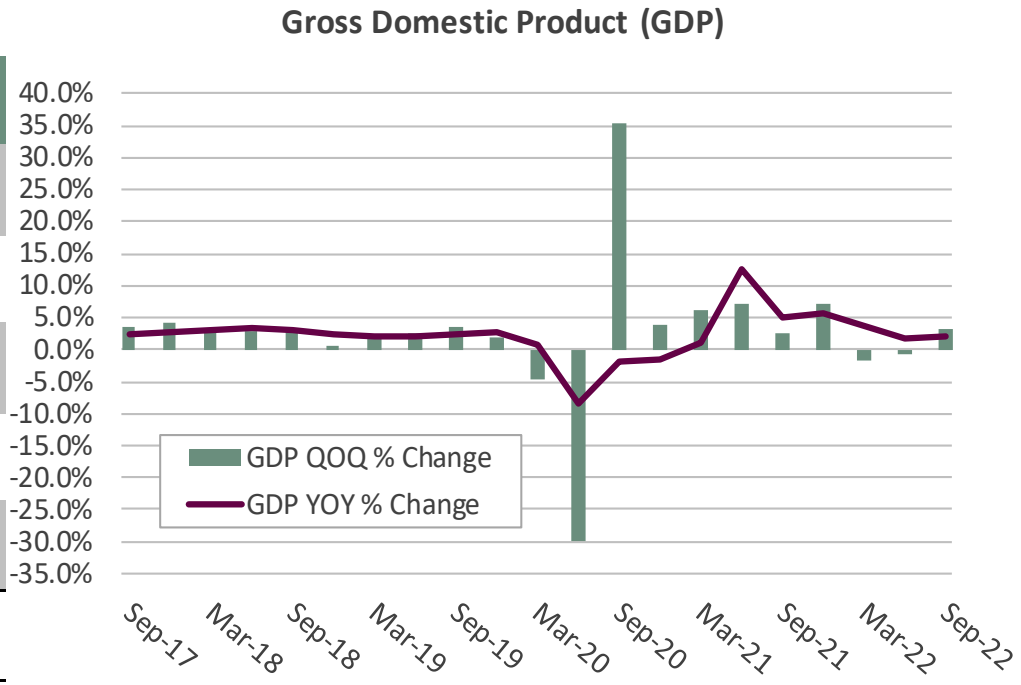
Source: Federal Reserve

The Institute for Supply Management (ISM) manufacturing index declined to 48.4 in December from 49.0 in November. This is the second consecutive month of readings below 50.0, which is indicative of contraction in the manufacturing sector. The declining trend reflects sluggish demand amid economic uncertainty and easing price pressures in the goods sector. Industrial production was down 0.2% in November after an unrevised decline of 0.1% in October. The decrease was led by weakness in the manufacturing and mining indices. This equates to a 2.5% increase from the prior year. Capacity utilization fell to 79.7% in November from 79.9% in October and continues to run slightly above the 1972-2021 average of 79.6%.

Gross Domestic Product (GDP)

Components of GDP	12/21	3/22	6/22	9/22
Personal Consumption Expenditures	2.1%	0.9%	1.4%	1.5%
Gross Private Domestic Investment	5.1%	1.0%	-2.8%	-1.8%
Net Exports and Imports	-0.2%	-3.1%	1.2%	2.9%
Federal Government Expenditures	0.0%	-0.4%	-0.2%	0.2%
State and Local (Consumption and Gross Investment)	-0.2%	0.0%	-0.1%	0.4%
Total	**7.0%**	**-1.6%**	**-0.6%**	**3.2%**

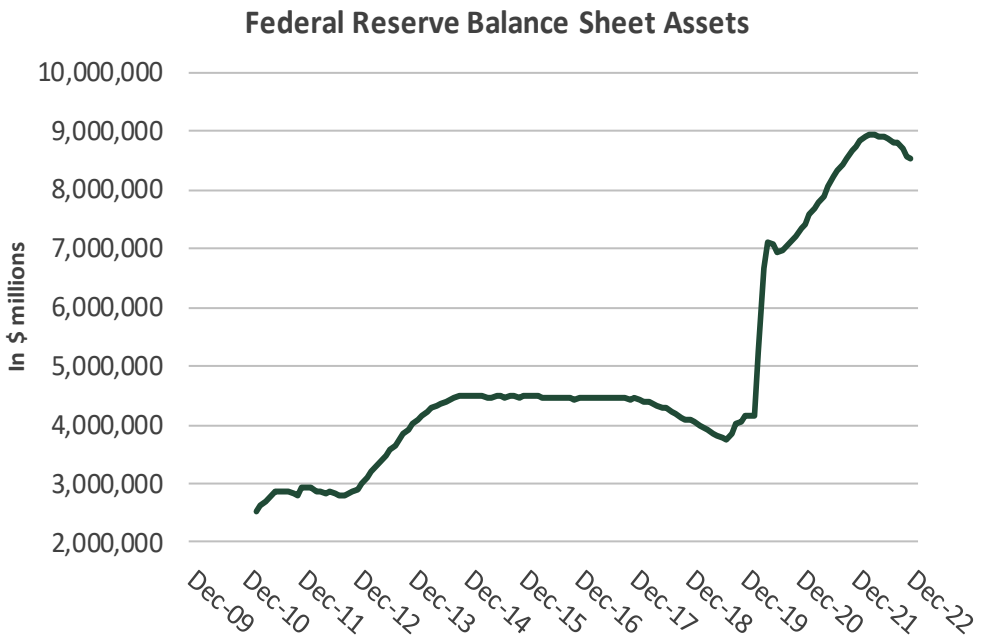
Source: US Department of Commerce



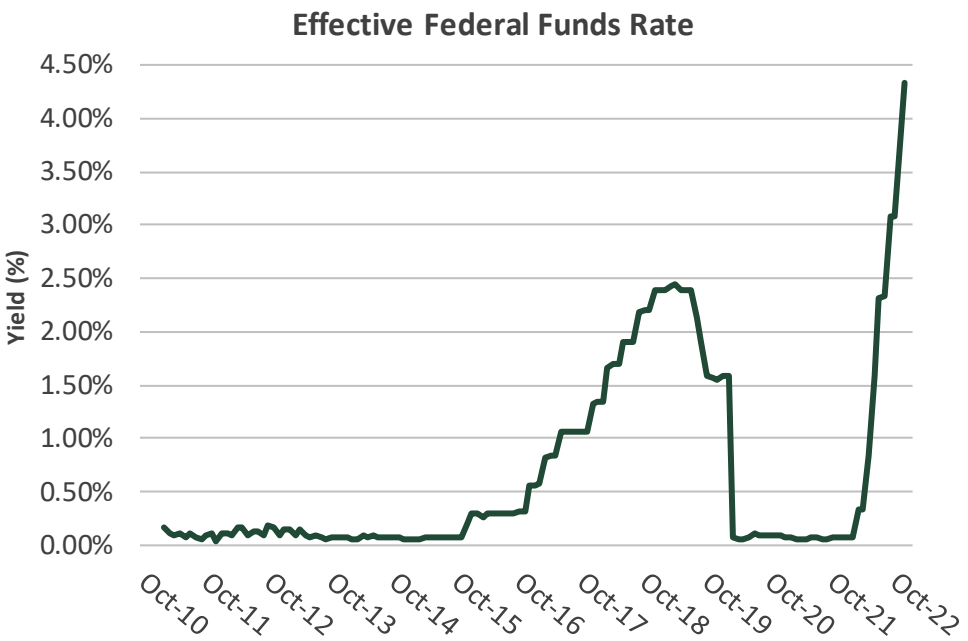
Source: US Department of Commerce

According to the third estimate, GDP increased at an annualized rate of 3.2% in the third quarter, revised up from 2.9%. The upward revision reflects stronger personal consumption expenditures which rose 2.3% in the third quarter, up from 1.7% in the previous estimate, primarily due to continued strength in services spending. Business investment, state and local government spending, and net exports also contributed to the upward revision. The consensus estimate calls for 1.1% growth in the fourth quarter and 1.9% growth for the full year 2022.

Federal Reserve



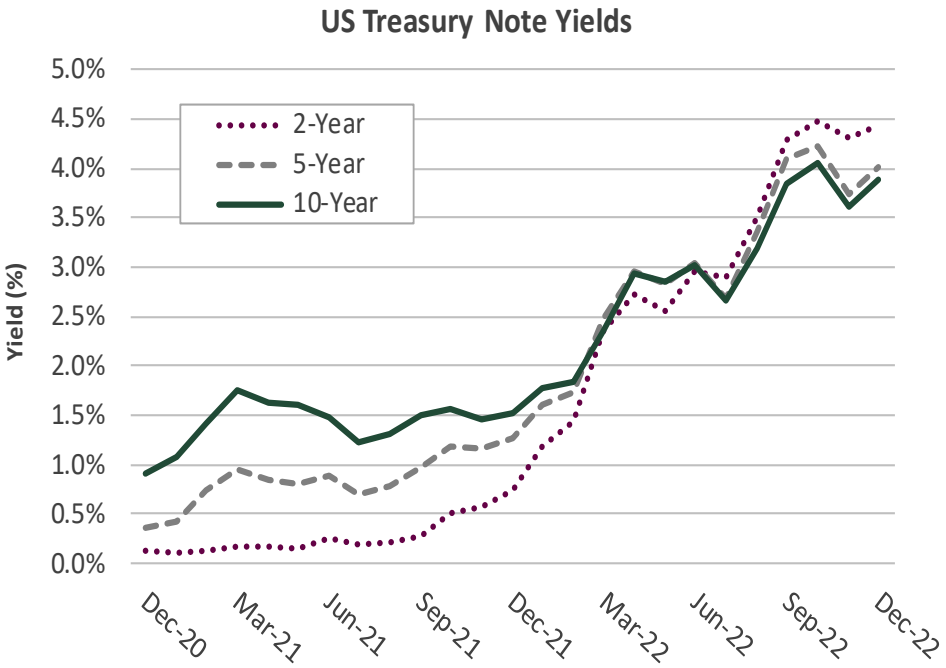
Source: Federal Reserve



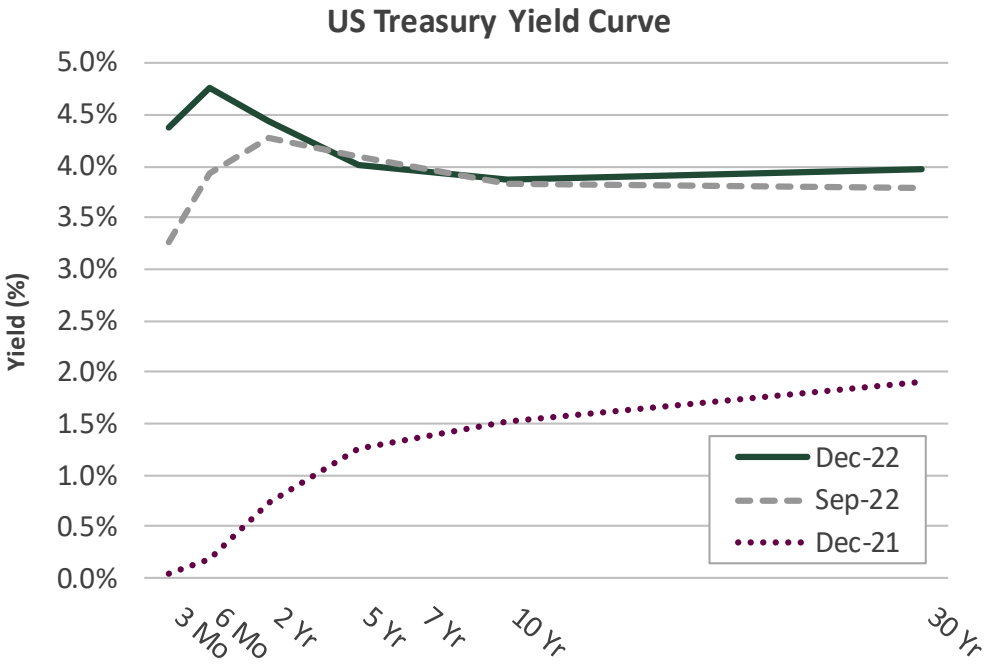
Source: Bloomberg

As expected at the December 14th meeting, the Federal Open Market Committee (FOMC) raised the fed funds target rate by 50 basis points to a range of 4.25 – 4.50%, in a downshift from four consecutive 75 basis point hikes. The decision was unanimous, and there was no change to the November statement. The sentiment was hawkish, indicating that "ongoing increases" in the fed funds rate are likely appropriate and citing continued labor market imbalances. The Summary of Economic Projections indicated a peak median forecast of 5.1% in 2023 and no rate cuts until 2024; however, the market consensus diverged, implying rate cuts in the second half of 2023. FOMC members forecasted a higher fed funds rate, slower GDP growth, higher inflation, and higher unemployment in 2023 than in the September projections. We believe the FOMC will continue to implement tighter monetary policy at a slower pace and hold rates at restrictive levels for some time until inflationary pressures subside and remain in the Fed's target range.

Bond Yields



Source: Bloomberg



Source: Bloomberg

At the end of December, the 2-year Treasury yield was 370 basis points higher, and the 10-Year Treasury yield was about 237 basis points higher, year-over-year. The inversion between the 2-year Treasury yield and 10-year Treasury yield narrowed to -55 basis points at December month-end versus -71 basis points at November month-end. The average historical spread (since 2003) is about +130 basis points. The inversion between 3-month and 10-year treasuries narrowed to -50 basis points in December from -74 basis points in November. The shape of the yield curve indicates that the probability of recession is increasing.

Section 2 | Account Profile

Objectives

As of December 31, 2022

Investment Objectives

Safety of principal is the foremost objective of the investment program. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.

Chandler Asset Management Performance Objective

The performance objective for the portfolio is to earn a total rate of return through a market cycle that is equal to or above the return on the benchmark index.

Strategy

In order to achieve this objective, the portfolio invests in high-quality fixed income securities that comply with the investment policy and all regulations governing the funds.

Compliance

As of December 31, 2022

Tuolumne Utilities District Consolidated

This portfolio is a consolidation of assets managed by Chandler Asset Management and assets managed internally by Client. Chandler relies on Client to provide accurate information for reporting assets and producing this compliance statement.

Category	Standard	Comment
U.S. Treasuries	No limitations; Full faith and credit of the U.S. are pledged for the payment of principal and interest	*Complies*
Federal Agencies	30% max per Agency/GSE issuer; 20% max callable agency securities; Federal agencies or U.S. government-sponsored enterprise obligations, participations, or other instruments, including those issued or fully guaranteed as to principal and interest by federal agencies or U.S. government sponsored enterprises.	*Complies*
Supranational Obligations	"AA" rating category or higher by a Nationally Recognized Statistical Rating Organization ("NRSRO"); 30% max; 10% max per issuer; USD denominated senior unsecured unsubordinated obligations; Issued or unconditionally guaranteed by International Bank for Reconstruction & Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB)	*Complies*
Municipal Securities (CA, Local Agency)	"A" rating category or better by a NRSRO; 30% max; 5% max per issuer; Include obligations of the District, State of California, and any local agency within the State of California	*Complies*
Municipal Securities (CA, Other States)	"A" rating category or better by a NRSRO; 30% max; 5% max per issuer; 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	*Complies*
Corporate Medium Term Notes	"A" rating category or better by a NRSRO; 30% max; 5% max per issuer; Issuer is a corporation organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S	*Complies*
Non-Agency Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations	"AA" rating category or better by a NRSRO; 20% max (combined ABS/MBS/CMO); 5% max per Asset-Backed or Commercial Mortgage issuer; From issuers not defined in US Treasury and Federal Agencies sections of the authorized investments section of the policy	*Complies*
Agency Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations	5 years max maturity	*Complies*
Negotiable Certificates of Deposit (NCD)	The amount of NCD insured up to the FDIC limit does not require any credit ratings; Any amount above FDIC insured limit must be issued by institutions with "A-1" short-term debt rating or better by a NRSRO; or "A" long-term rating category or better by a NRSRO; 30% max (combined with CDARS); 5% max per issuer; Issued by a nationally or state-chartered bank, or a federal or state association, a state or federal credit union, or by a federally-licensed or state-licensed branch of a foreign bank.	*Complies*
Certificate of Deposit Placement Service (CDARS)	30% max (combination of Certificates of Deposit, including CDARS)	*Complies*
FDIC Insured Time Deposits (Non-negotiable CD/TD)	Non-Negotiable Certificates of Deposit in state or federally chartered banks, savings and loans, or credit unions; The amount per institution is limited to maximum covered under FDIC; 20% max combined FDIC & Collateralized CD/TD	*Complies*
Collateralized Time Deposits (Non-negotiable CD/TD)	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; 20% max combined FDIC & Collateralized CD/TD	*Complies*

Compliance

As of December 31, 2022

Tuolumne Utilities District Consolidated

This portfolio is a consolidation of assets managed by Chandler Asset Management and assets managed internally by Client. Chandler relies on Client to provide accurate information for reporting assets and producing this compliance statement.

Category	Standard	Comment
Collateralized Bank Deposits	District's deposits with financial institutions will be collateralized with pledged securities per California Government	*Complies*
Banker's Acceptances	"A-1" short-term debt rated or better by a NRSRO; or "A" long-term debt rating category or better by a NRSRO; 40% max; 5% max per issuer; 180 days max maturity	*Complies*
Commercial Paper	Issued by an entity that meets all of the following conditions in either (a) or (b): a. Securities issued by corporations: (i) organized and operating within the U.S. with assets > $500 million; (ii) "A-1" rated or better by a NRSRO; (iii) "A" rating or better by a NRSRO, if issuer has debt obligations. b. Securities issued by other entities: (i) organized within the U.S. as a special purpose corporation, trust, or limited liability company; (ii) must have program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond; (iii) rated "A-1" or better by a NRSRO. 25% max; 5% max per issuer; 270 days maturity; 10% maximum of the outstanding commercial paper of any single issuer	*Complies*
Money Market Mutual Funds	Registered with SEC under Investment Company Act of 1940 and issued by diversified management companies and meet either of the following criteria: (i) Highest rating by two NRSROs; or (ii) Retained an investment adviser registered or exempt from SEC registration with > 5 years experience managing money market mutual funds with AUM >$500 million; 20% max combined Money Market Mutual Funds and Mutual Funds; 20% max per Money Market Mutual Fund	*Complies*
Mutual Funds	Invest in securities as authorized under CGC, Section 53601 (a) to (k) and (m) to (q) inclusive and meet either of the following criteria: (i) Highest rating by two NRSROs; or (ii) Retained an investment adviser registered or exempt from SEC registration with > 5 years experience investing in securities authorized by CGC, Section 53601 and with AUM >$500 million; 20% max combined Money Market Mutual Funds and Mutual Funds; 10% max per Mutual Fund	*Complies*
Local Agency Investment Fund (LAIF)	Maximum amount permitted by LAIF; Not used by investment adviser	*Complies*
Local Government Investment Pool	Other LGIPS permitted by client; Not used by investment adviser	*Complies*
Repurchase Agreements	102% Collateralized; 1 year max maturity; Not used by investment adviser	*Complies*
Prohibited	Equity securities; Inverse floaters; Ranges notes, Mortgage-derived or Interest-only strips from pool of mortgages; Zero interest accrual securities if held to maturity; Trading securities for the sole purpose of speculating on the future direction of interest rates; Purchasing or selling securities on margin; Reverse repurchase agreements; Securities lending or any other form of borrowing or leverage; Foreign currency denominated securities	*Complies*
Max Per Issuer	5% max per issuer, unless otherwise specified in the policy	*Complies*
Maximum Maturity	5 years maximum maturity	*Complies*

Portfolio Characteristics

As of December 31, 2022

Tuolumne Utilities District

	12/31/22		09/30/22
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	2.61	2.45	2.61
Average Modified Duration	2.48	2.22	2.39
Average Purchase Yield	n/a	1.00%	0.92%
Average Market Yield	4.35%	4.50%	4.34%
Average Quality**	AAA	AA/Aa1	AA/Aa1
Total Market Value		9,398,882	9,311,372

**ICE BofA 1-5 Yr US Treasury & Agency Index*

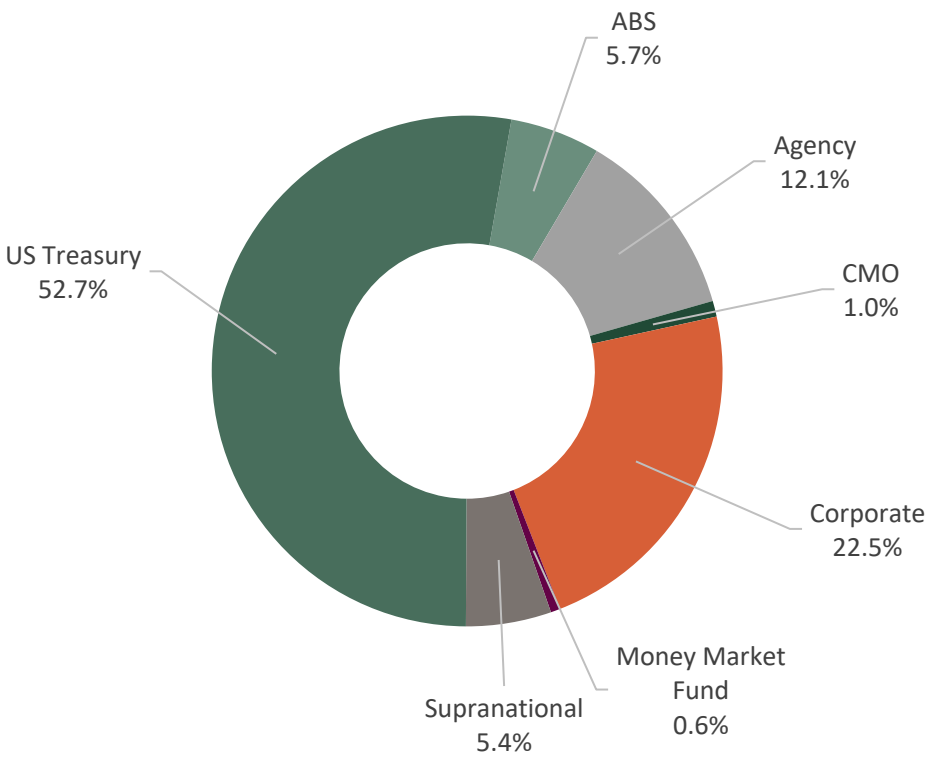
***Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.*

Sector Distribution

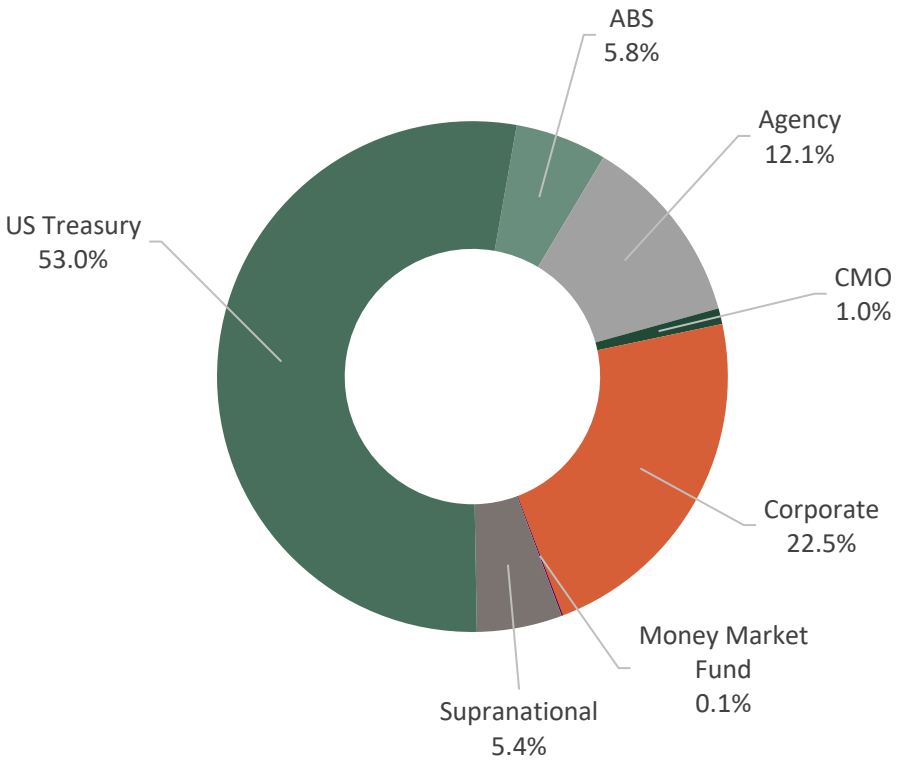
As of December 31, 2022

Tuolumne Utilities District

December 31, 2022



September 30, 2022



Issuers

As of December 31, 2022

Tuolumne Utilities District – Account #10768

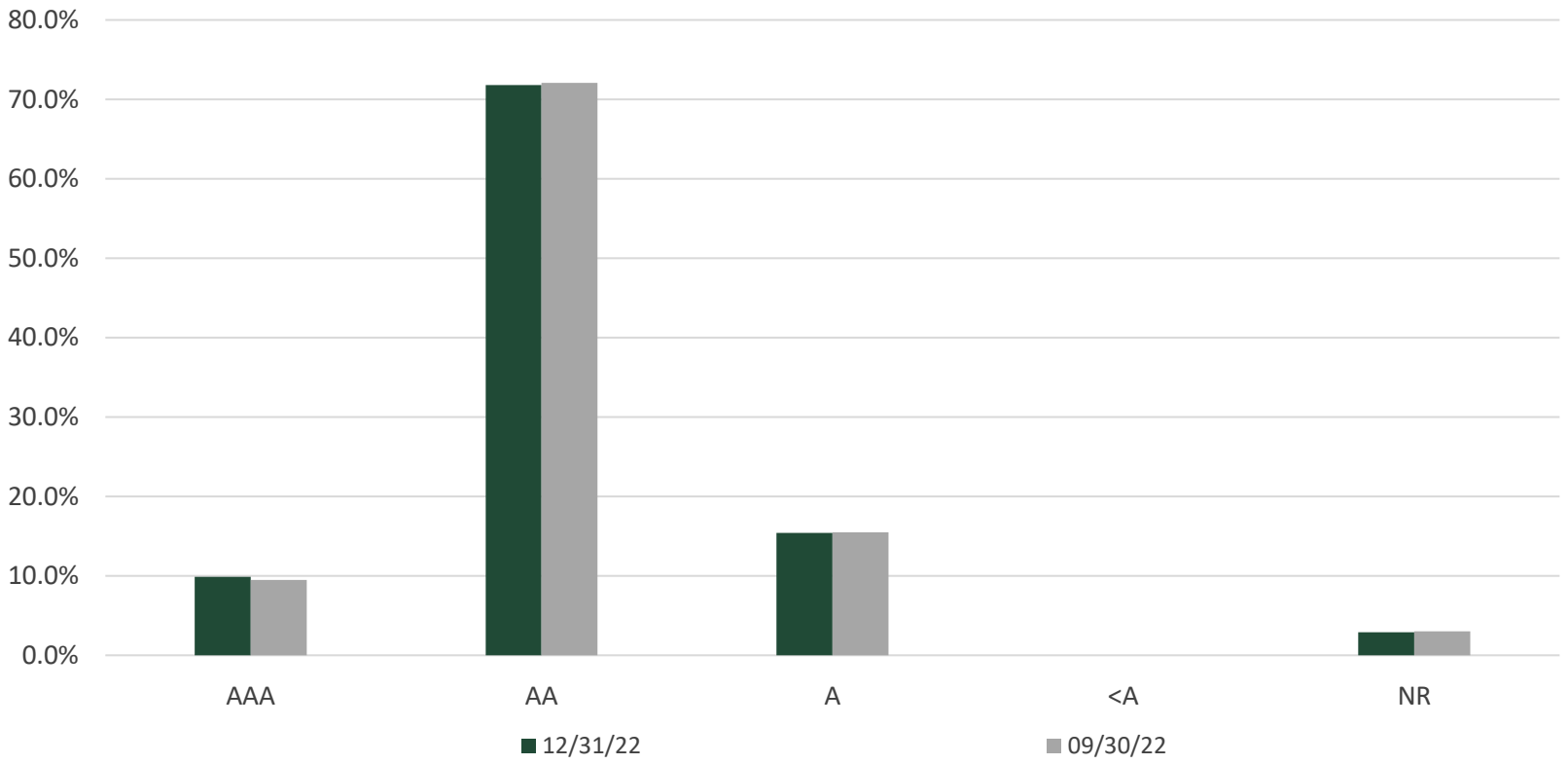
Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	52.69%
Federal National Mortgage Association	Agency	8.06%
Federal Home Loan Mortgage Corp	Agency	4.02%
Inter-American Dev Bank	Supranational	2.49%
Intl Bank Recon and Development	Supranational	1.92%
Caterpillar Inc	Corporate	1.37%
Bank of America Corp	Corporate	1.34%
Berkshire Hathaway	Corporate	1.34%
Charles Schwab Corp/The	Corporate	1.31%
Wal-Mart Stores	Corporate	1.30%
Royal Bank of Canada	Corporate	1.27%
Amazon.com Inc	Corporate	1.25%
Bank of Montreal Chicago	Corporate	1.25%
Procter & Gamble Company	Corporate	1.22%
Honda ABS	ABS	1.19%
Apple Inc	Corporate	1.19%
Bank of New York	Corporate	1.06%
JP Morgan Chase & Co	Corporate	1.05%
Northern Trust Corp	Corporate	1.05%
US Bancorp	Corporate	1.03%
Toronto Dominion Holdings	Corporate	1.03%
Federal Home Loan Mortgage Corp	CMO	1.02%
Toyota ABS	ABS	1.02%
International Finance Corp	Supranational	1.01%
John Deere ABS	ABS	1.00%
United Health Group Inc	Corporate	0.95%
BlackRock Inc/New York	Corporate	0.76%
GM Financial Automobile Leasing Trust	ABS	0.72%
Deere & Company	Corporate	0.71%
Paccar Financial	Corporate	0.70%
Toyota Motor Corp	Corporate	0.67%
First American Govt Oblig Fund	Money Market Fund	0.61%
BMW Vehicle Lease Trust	ABS	0.61%
Target Corp	Corporate	0.54%
GM Financial Securitized Term Auto Trust	ABS	0.45%
Hyundai Auto Receivables	ABS	0.44%
Mercedes-Benz Auto Lease Trust	ABS	0.26%
Salesforce.com Inc	Corporate	0.10%
TOTAL		**100.00%**

Quality Distribution

As of December 31, 2022

Tuolumne Utilities District

December 31, 2022 vs. September 30, 2022



	AAA	AA	A	<A	NR
12/31/22	9.9%	71.8%	15.4%	0.0%	2.9%
09/30/22	9.5%	72.1%	15.5%	0.0%	3.0%

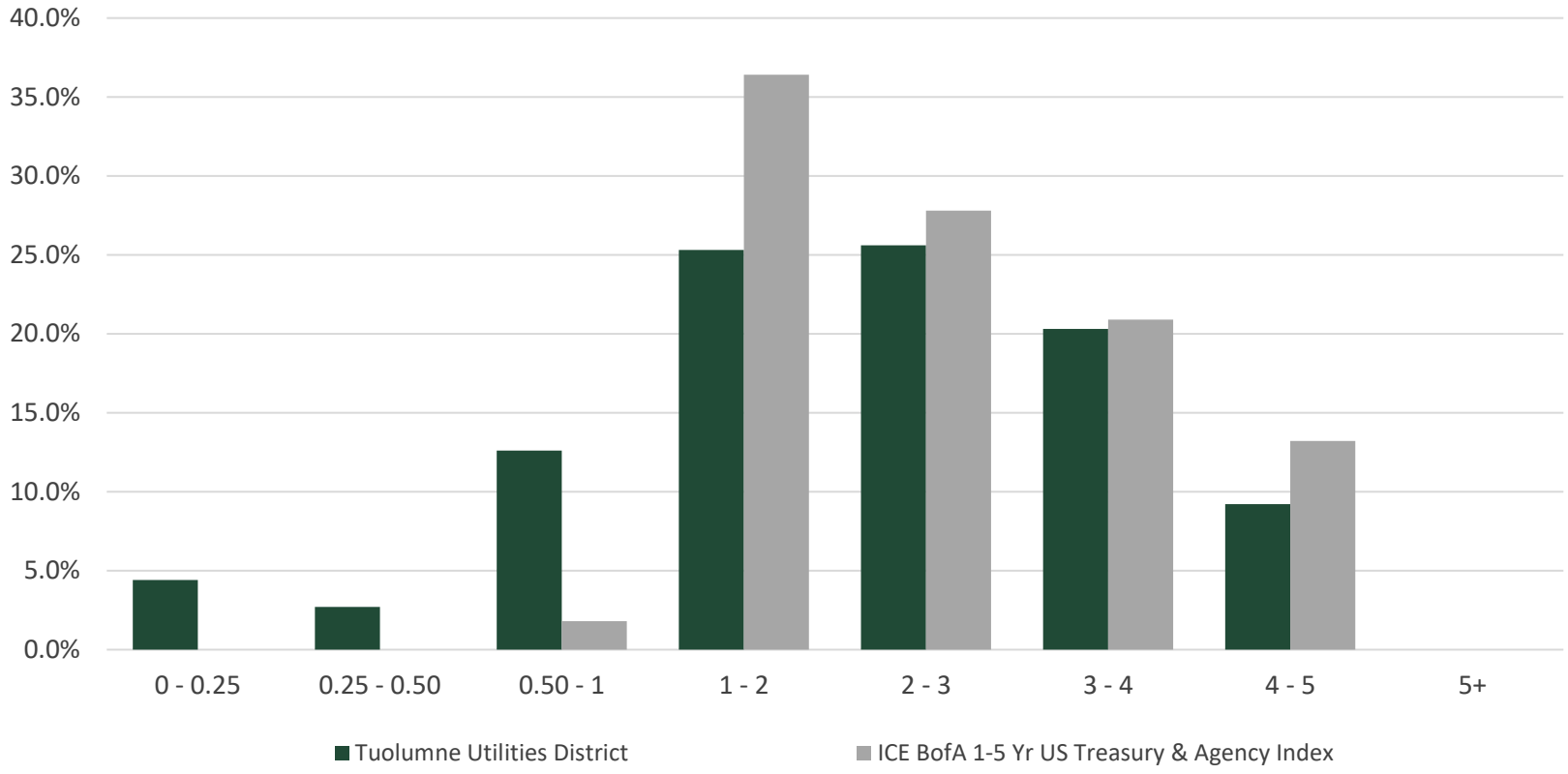
Source: S&P Ratings

Duration Distribution

As of December 31, 2022

Tuolumne Utilities District

Portfolio Compared to the Benchmark

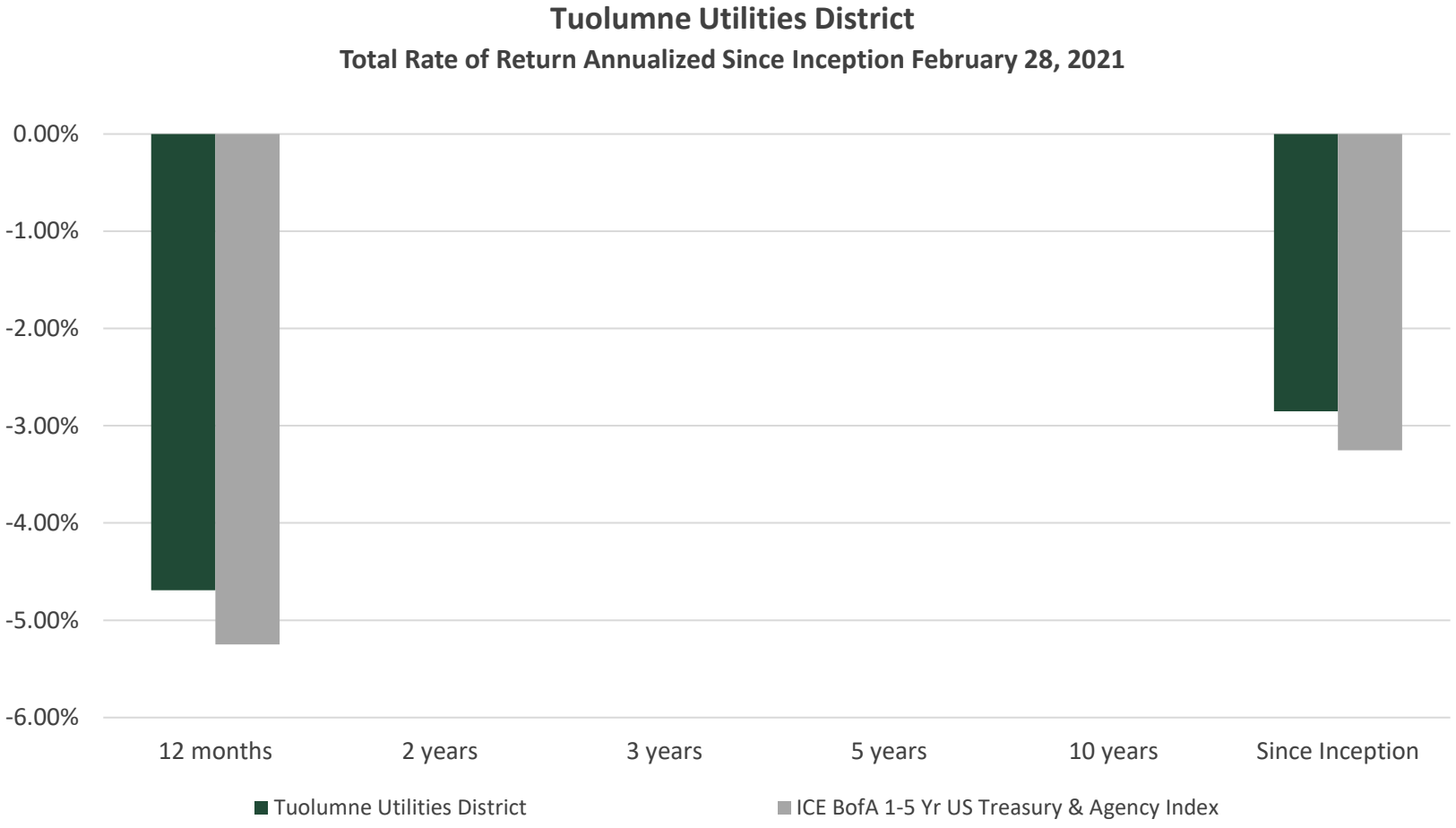


	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	4.4%	2.7%	12.6%	25.3%	25.6%	20.3%	9.2%	0.0%
Benchmark*	0.0%	0.0%	1.8%	36.4%	27.8%	20.9%	13.2%	0.0%

**ICE BofA 1-5 Yr US Treasury & Agency Index*

Investment Performance

As of December 31, 2022

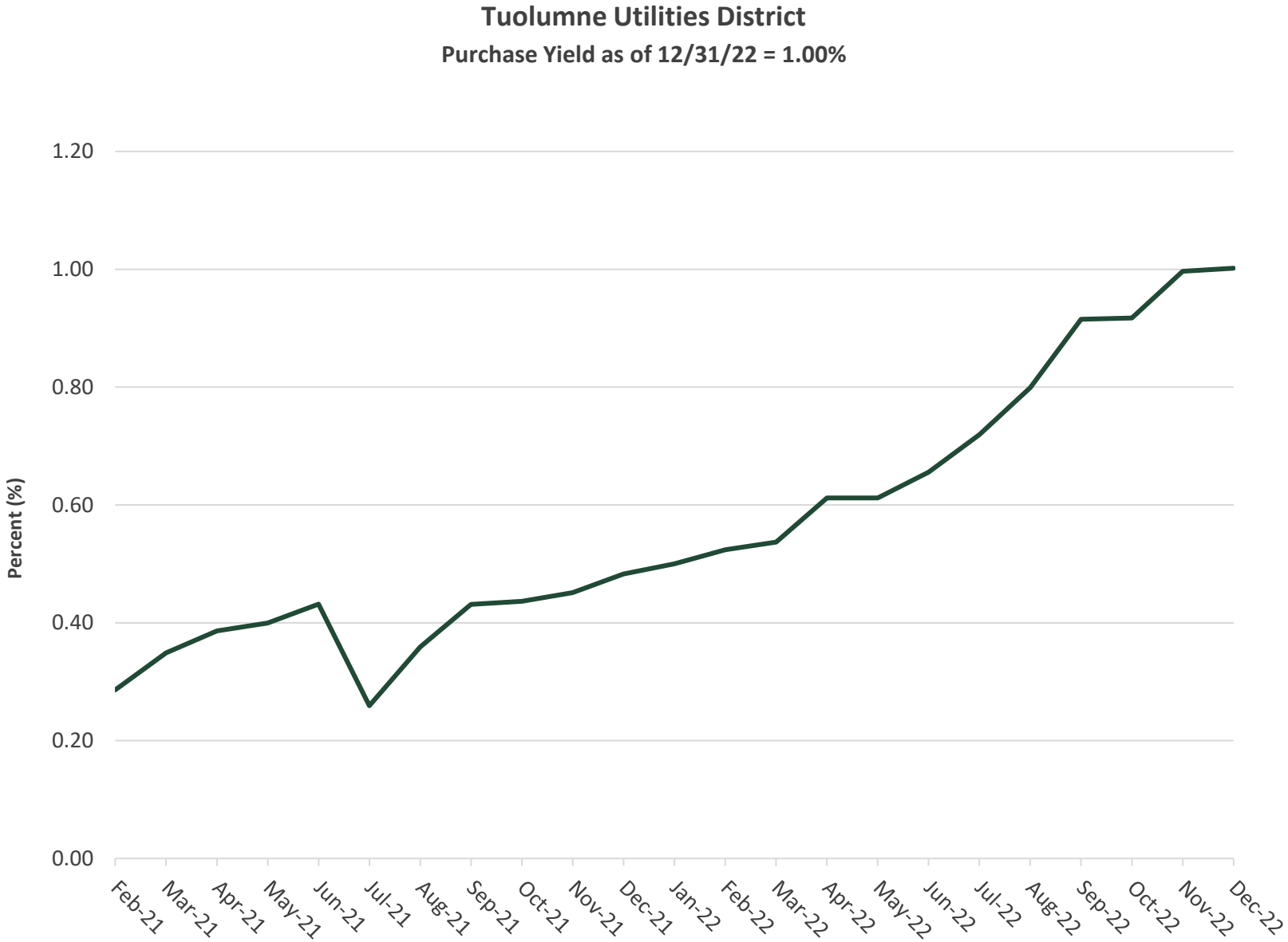


			Annualized				
TOTAL RATE OF RETURN	**3 months**	**12 months**	**2 years**	**3 years**	**5 years**	**10 years**	**Since Inception**
Tuolumne Utilities District	1.00%	-4.69%	N/A	N/A	N/A	N/A	-2.85%
ICE BofA 1-5 Yr US Treasury & Agency Index	0.94%	-5.25%	N/A	N/A	N/A	N/A	-3.25%

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

Historical Average Purchase Yield

As of December 31, 2022



Portfolio Characteristics

As of December 31, 2022

Tuolumne Utilities District Reporting

	12/31/22 Portfolio	09/30/22 Portfolio
Average Maturity (yrs)	0.00	0.00
Modified Duration	0.00	0.00
Average Purchase Yield	2.23%	1.60%
Average Market Yield	2.23%	1.60%
Average Quality*	NR/NR	NR/NR
Total Market Value	10,512,133	9,460,229

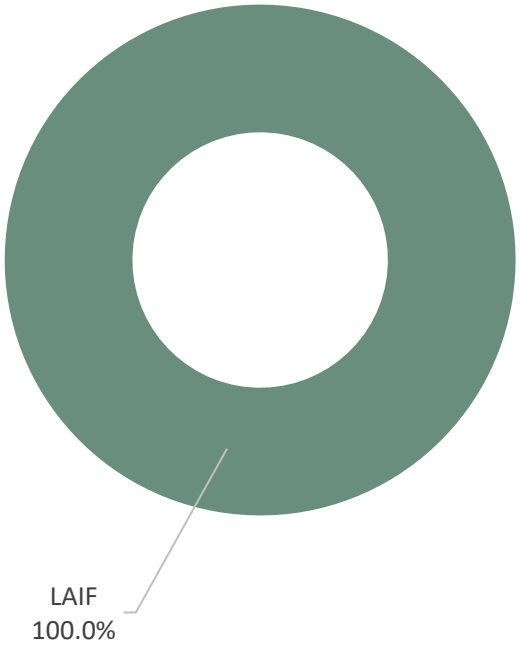
**Portfolio is S&P and Moody's, respectively.*

Sector Distribution

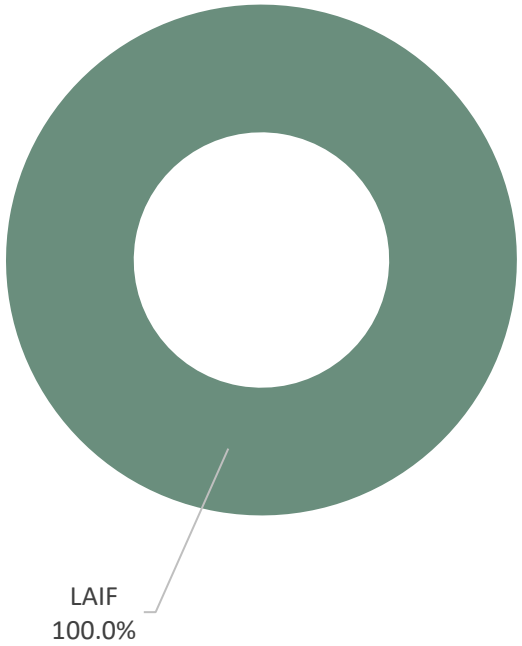
As of December 31, 2022

Tuolumne Utilities District Reporting

December 31, 2022



September 30, 2022



Issuers

As of December 31, 2022

Tuolumne Utilities District Reporting – Account #10797

Issue Name	Investment Type	% Portfolio
Local Agency Investment Fund	LAIF	100.00%
TOTAL		**100.00%**

Section 3 | Consolidated Information

Portfolio Characteristics

As of December 31, 2022

Tuolumne Utilities District Consolidated

	12/31/22 Portfolio	09/30/22 Portfolio
Average Maturity (yrs)	1.16	1.30
Modified Duration	1.05	1.18
Average Purchase Yield	1.63%	1.25%
Average Market Yield	3.30%	2.96%
Average Quality*	AA/Aa1	AA/Aa1
Total Market Value	19,911,014	18,771,600

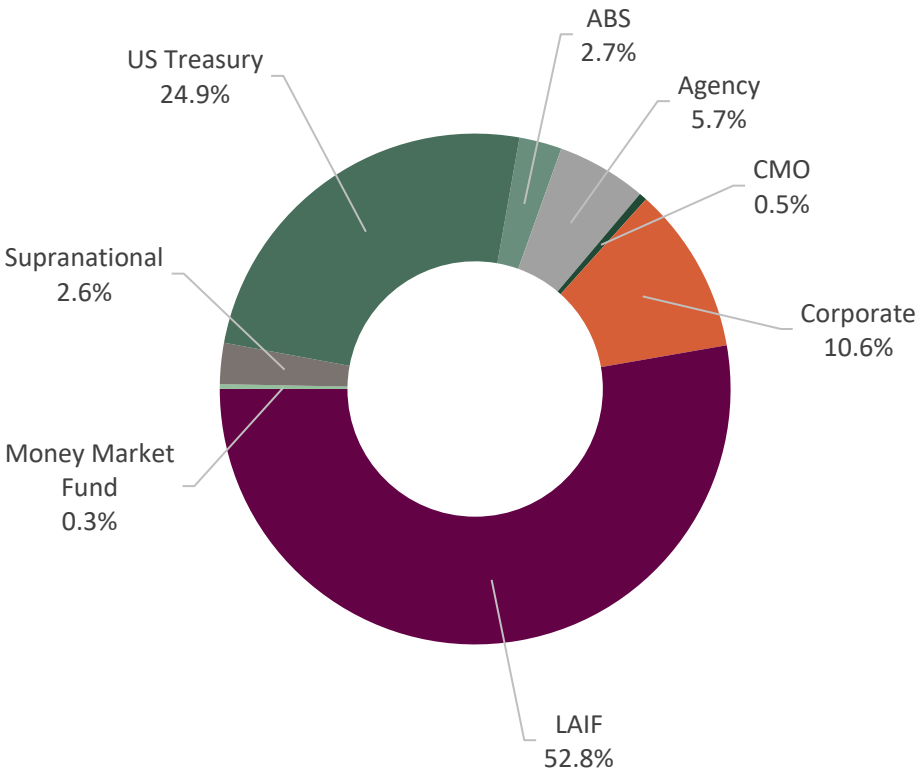
** Portfolio is S&P and Moody's respectively.*

Sector Distribution

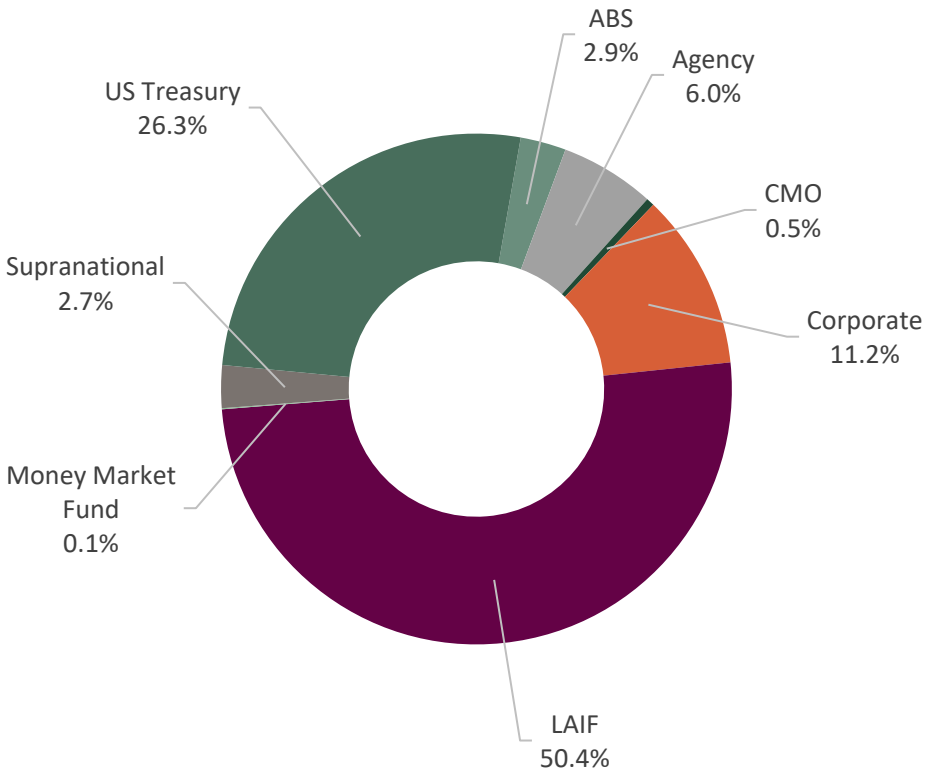
As of December 31, 2022

Tuolumne Utilities District Consolidated

December 31, 2022



September 30, 2022



Issuers

As of December 31, 2022

Tuolumne Utilities District Consolidated – Account #10798

Issue Name	Investment Type	% Portfolio
Local Agency Investment Fund	LAIF	52.80%
Government of United States	US Treasury	24.87%
Federal National Mortgage Association	Agency	3.81%
Federal Home Loan Mortgage Corp	Agency	1.90%
Inter-American Dev Bank	Supranational	1.18%
Intl Bank Recon and Development	Supranational	0.90%
Caterpillar Inc	Corporate	0.65%
Bank of America Corp	Corporate	0.63%
Berkshire Hathaway	Corporate	0.63%
Charles Schwab Corp/The	Corporate	0.62%
Wal-Mart Stores	Corporate	0.61%
Royal Bank of Canada	Corporate	0.60%
Amazon.com Inc	Corporate	0.59%
Bank of Montreal Chicago	Corporate	0.59%
Procter & Gamble Company	Corporate	0.58%
Honda ABS	ABS	0.56%
Apple Inc	Corporate	0.56%
Bank of New York	Corporate	0.50%
JP Morgan Chase & Co	Corporate	0.50%
Northern Trust Corp	Corporate	0.49%
US Bancorp	Corporate	0.49%
Toronto Dominion Holdings	Corporate	0.49%
Federal Home Loan Mortgage Corp	CMO	0.48%
Toyota ABS	ABS	0.48%
International Finance Corp	Supranational	0.48%
John Deere ABS	ABS	0.47%
United Health Group Inc	Corporate	0.45%
BlackRock Inc/New York	Corporate	0.36%
GM Financial Automobile Leasing Trust	ABS	0.34%
Deere & Company	Corporate	0.34%
Paccar Financial	Corporate	0.33%
Toyota Motor Corp	Corporate	0.31%
First American Govt Oblig Fund	Money Market Fund	0.29%
BMW Vehicle Lease Trust	ABS	0.29%
Target Corp	Corporate	0.25%
GM Financial Securitized Term Auto Trust	ABS	0.21%
Hyundai Auto Receivables	ABS	0.21%
Mercedes-Benz Auto Lease Trust	ABS	0.12%

Issuers

As of December 31, 2022

Tuolumne Utilities District Consolidated – Account #10798

Issue Name	Investment Type	% Portfolio
Salesforce.com Inc	Corporate	0.05%
TOTAL		**100.00%**

Section 4 | Portfolio Holdings

Holdings Report

As of December 31, 2022

Tuolumne Utilities District - Account #10768

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
36262XAC8	GM Financial Auto Lease Trust 2021-3 A2	70,000.00	08/10/2021	69,999.05	97.16	68,009.94	0.72%	NR / AAA	1.81
	0.390% Due 10/21/2024		0.39%	69,999.59	5.38%	8.34	(1,989.65)	AAA	0.57
58769KAD6	Mercedes-Benz Auto Lease Trust 2021-B A3	25,000.00	06/22/2021	24,998.11	97.12	24,279.43	0.26%	NR / AAA	1.88
	0.400% Due 11/15/2024		0.40%	24,999.23	5.30%	4.44	(719.80)	AAA	0.59
09690AAC7	BMW Vehicle Lease Trust 2021-2 A3	29,238.47	09/08/2021	29,235.45	97.72	28,570.44	0.30%	Aaa / NR	1.99
	0.330% Due 12/26/2024		0.34%	29,237.17	5.25%	1.61	(666.73)	AAA	0.46
05601XAC3	BMW Vehicle Lease Trust 2022-1 A3	30,000.00	01/11/2022	29,995.52	96.74	29,023.19	0.31%	NR / AAA	2.23
	1.100% Due 03/25/2025		1.11%	29,997.47	5.29%	5.50	(974.28)	AAA	0.78
43813GAC5	Honda Auto Receivables Trust 2021-1 A3	17,531.06	02/17/2021	17,530.74	96.73	16,957.89	0.18%	Aaa / NR	2.31
	0.270% Due 04/21/2025		0.27%	17,530.93	6.22%	1.31	(573.04)	AAA	0.55
47788UAC6	John Deere Owner Trust 2021-A A3	17,444.04	03/02/2021	17,440.70	96.55	16,842.92	0.18%	Aaa / NR	2.71
	0.360% Due 09/15/2025		0.37%	17,442.38	5.21%	2.79	(599.46)	AAA	0.71
44933LAC7	Hyundai Auto Receivables Trust 2021-A A3	18,687.98	04/20/2021	18,686.01	96.71	18,073.03	0.19%	NR / AAA	2.71
	0.380% Due 09/15/2025		0.38%	18,687.10	5.51%	3.16	(614.07)	AAA	0.64
89190GAC1	Toyota Auto Receivables Trust 2021-B A3	70,000.00	06/08/2021	69,992.46	96.15	67,306.58	0.72%	NR / AAA	2.88
	0.260% Due 11/17/2025		0.26%	69,996.15	5.48%	8.09	(2,689.57)	AAA	0.74
43815EAC8	Honda Auto Receivables 2021-3 A3	65,000.00	08/17/2021	64,999.05	95.39	62,006.01	0.66%	NR / AAA	2.88
	0.410% Due 11/18/2025		0.41%	64,999.45	5.35%	9.62	(2,993.44)	AAA	0.94
43815GAC3	Honda Auto Receivables Trust 2021-4 A3	35,000.00	11/16/2021	34,992.62	94.91	33,217.02	0.35%	Aaa / NR	3.06
	0.880% Due 01/21/2026		0.89%	34,995.13	5.11%	8.56	(1,778.11)	AAA	1.22
47789QAC4	John Deere Owner Trust 2021-B A3	40,000.00	07/13/2021	39,996.43	94.91	37,963.11	0.40%	Aaa / NR	3.21
	0.520% Due 03/16/2026		0.52%	39,997.85	5.29%	9.24	(2,034.74)	AAA	1.08
89238JAC9	Toyota Auto Receivables Trust 2021-D A3	30,000.00	11/09/2021	29,999.36	94.21	28,263.00	0.30%	NR / AAA	3.29
	0.710% Due 04/15/2026		0.71%	29,999.58	5.70%	9.47	(1,736.58)	AAA	1.18
44935FAD6	Hyundai Auto Receivables Trust 2021-C A3	25,000.00	11/09/2021	24,994.42	94.47	23,616.40	0.25%	NR / AAA	3.37
	0.740% Due 05/15/2026		0.75%	24,996.40	5.54%	8.22	(1,380.00)	AAA	1.17
362554AC1	GM Financial Securitized Term 2021-4 A3	25,000.00	10/13/2021	24,999.36	94.48	23,620.31	0.25%	Aaa / AAA	3.71
	0.680% Due 09/16/2026		0.68%	24,999.59	5.54%	7.08	(1,379.28)	NR	1.15
380146AC4	GM Financial Auto Receivables 2022-1 A3	20,000.00	01/11/2022	19,998.26	94.55	18,909.66	0.20%	NR / AAA	3.88
	1.260% Due 11/16/2026		1.27%	19,998.76	5.35%	10.50	(1,089.10)	AAA	1.35
47800AAC4	John Deere Owner Trust 2022-B A3	40,000.00	07/12/2022	39,996.18	97.70	39,080.31	0.42%	Aaa / NR	4.13
	3.740% Due 02/16/2027		3.77%	39,996.66	4.93%	66.49	(916.35)	AAA	1.99
				557,853.72		**535,739.24**	**5.70%**	**Aaa / AAA**	**2.83**
TOTAL ABS		**557,901.55**	**0.77%**	**557,873.44**	**5.37%**	**164.42**	**(22,134.20)**	**AAA**	**0.94**

Holdings Report

As of December 31, 2022

Tuolumne Utilities District - Account #10768

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Agency									
3137EAER6	FHLMC Note	200,000.00	09/17/2021	200,600.00	98.62	197,233.54	2.10%	Aaa / AA+	0.34
	0.375% Due 05/05/2023		0.19%	200,125.68	4.45%	116.67	(2,892.14)	AAA	0.34
3135G05G4	FNMA Note	200,000.00	06/03/2021	200,282.00	97.65	195,309.92	2.08%	Aaa / AA+	0.52
	0.250% Due 07/10/2023		0.18%	200,069.95	4.83%	237.50	(4,760.03)	AAA	0.51
3135G0U43	FNMA Note	200,000.00	06/01/2021	212,123.50	98.71	197,429.46	2.12%	Aaa / AA+	0.70
	2.875% Due 09/12/2023		0.21%	203,701.16	4.77%	1,740.98	(6,271.70)	AAA	0.67
3135G04Z3	FNMA Note	200,000.00	02/10/2021	200,454.60	91.07	182,130.27	1.94%	Aaa / AA+	2.46
	0.500% Due 06/17/2025		0.45%	200,257.23	4.37%	38.89	(18,126.96)	AAA	2.40
3135G05X7	FNMA Note	200,000.00	02/11/2021	199,248.40	90.27	180,536.43	1.92%	Aaa / AA+	2.65
	0.375% Due 08/25/2025		0.46%	199,560.85	4.30%	262.50	(19,024.42)	AAA	2.58
3137EAEX3	FHLMC Note	200,000.00	02/08/2021	199,054.00	90.07	180,139.95	1.92%	Aaa / AA+	2.73
	0.375% Due 09/23/2025		0.48%	199,441.48	4.27%	204.17	(19,301.53)	AAA	2.66
				1,211,762.50		**1,132,779.57**	**12.08%**	**Aaa / AA+**	**1.52**
TOTAL Agency		**1,200,000.00**	**0.33%**	**1,203,156.35**	**4.50%**	**2,600.71**	**(70,376.78)**	**AAA**	**1.48**
CMO									
3137BFXT3	FHLMC K042 A2	100,000.00	08/19/2021	106,156.25	95.93	95,930.55	1.02%	Aaa / NR	1.99
	2.670% Due 12/25/2024		0.62%	103,603.16	4.93%	44.50	(7,672.61)	NR	1.76
				106,156.25		**95,930.55**	**1.02%**	**Aaa / NR**	**1.99**
TOTAL CMO		**100,000.00**	**0.62%**	**103,603.16**	**4.93%**	**44.50**	**(7,672.61)**	**NR**	**1.76**
Corporate									
084670BR8	Berkshire Hathaway Callable Note Cont 1/15/2023	125,000.00	03/10/2021	130,420.00	99.57	124,464.77	1.34%	Aa2 / AA	0.20
	2.750% Due 03/15/2023		0.58%	125,539.78	4.81%	1,012.15	(1,075.01)	A+	0.20
89236TJD8	Toyota Motor Credit Corp Note	30,000.00	04/06/2021	29,975.70	98.89	29,667.28	0.32%	A1 / A+	0.26
	0.400% Due 04/06/2023		0.44%	29,996.82	4.65%	28.33	(329.54)	A+	0.26
06406FAD5	Bank of NY Mellon Corp Callable Note Cont 6/16/2023	100,000.00	03/10/2021	103,958.00	98.45	98,450.32	1.06%	A1 / A	0.62
	2.200% Due 08/16/2023		0.56%	101,012.93	4.73%	825.00	(2,562.61)	AA-	0.61
24422EVN6	John Deere Capital Corp Note	70,000.00	03/01/2021	69,950.30	95.64	66,947.84	0.71%	A2 / A	1.05
	0.450% Due 01/17/2024		0.47%	69,981.95	4.78%	143.50	(3,034.11)	A	1.02
06051GHF9	Bank of America Corp Callable Note 1X 3/5/2023	125,000.00	09/17/2021	130,398.75	99.64	124,554.64	1.34%	A2 / A-	1.18
	3.550% Due 03/05/2024		2.61%	127,584.89	5.47%	1,429.86	(3,030.25)	AA-	0.18

Holdings Report

As of December 31, 2022

Tuolumne Utilities District - Account #10768

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
808513BN4	Charles Schwab Corp Callable Note Cont 2/18/2024 0.750% Due 03/18/2024	100,000.00	Various 0.68%	100,220.20 100,089.24	95.07 4.99%	95,068.00 214.59	1.01% (5,021.24)	A2 / A A	1.21 1.18
023135BW5	Amazon.com Inc Note 0.450% Due 05/12/2024	125,000.00	Various 0.77%	124,041.90 124,466.70	94.22 4.88%	117,781.00 76.57	1.25% (6,685.70)	A1 / AA AA-	1.36 1.33
46625HJX9	JP Morgan Chase Note 3.625% Due 05/13/2024	100,000.00	02/05/2021 0.50%	110,092.00 104,226.93	98.31 4.92%	98,309.51 483.33	1.05% (5,917.42)	A1 / A- AA-	1.37 1.31
14913R2L0	Caterpillar Financial Service Note 0.450% Due 05/17/2024	85,000.00	05/10/2021 0.50%	84,886.10 84,947.83	94.13 4.91%	80,012.69 46.75	0.85% (4,935.14)	A2 / A A	1.38 1.34
89114QCA4	Toronto Dominion Bank Note 2.650% Due 06/12/2024	100,000.00	04/23/2021 0.65%	106,177.00 102,855.92	96.77 4.99%	96,773.72 139.86	1.03% (6,082.20)	A1 / A AA-	1.45 1.39
89236TJH9	Toyota Motor Credit Corp Note 0.500% Due 06/18/2024	35,000.00	06/15/2021 0.54%	34,958.35 34,979.71	93.85 4.90%	32,847.79 6.32	0.35% (2,131.92)	A1 / A+ A+	1.47 1.43
79466LAG9	Salesforce.com Inc Callable Note Cont 7/15/2022 0.625% Due 07/15/2024	10,000.00	06/29/2021 0.64%	9,994.90 9,997.40	93.84 4.83%	9,384.09 28.82	0.10% (613.31)	A2 / A+ NR	1.54 1.49
91159HHX1	US Bancorp Callable Note Cont 6/28/2024 2.400% Due 07/30/2024	100,000.00	02/05/2021 0.52%	106,483.00 102,947.28	96.17 4.94%	96,174.93 1,006.67	1.03% (6,772.35)	A2 / A+ A+	1.58 1.51
69371RR40	Paccar Financial Corp Note 0.500% Due 08/09/2024	70,000.00	08/03/2021 0.52%	69,962.20 69,979.79	93.14 5.00%	65,199.25 138.06	0.70% (4,780.54)	A1 / A+ NR	1.61 1.56
78015K7C2	Royal Bank of Canada Note 2.250% Due 11/01/2024	125,000.00	02/05/2021 0.53%	132,916.25 128,897.05	95.37 4.92%	119,213.88 468.75	1.27% (9,683.17)	A1 / A AA-	1.84 1.76
06367WB85	Bank of Montreal Note 1.850% Due 05/01/2025	125,000.00	08/06/2021 0.89%	129,363.75 127,730.55	93.33 4.91%	116,665.96 385.42	1.25% (11,064.59)	A2 / A- AA-	2.33 2.23
037833EB2	Apple Inc Callable Note Cont 1/8/2026 0.700% Due 02/08/2026	125,000.00	02/05/2021 0.72%	124,877.50 124,923.88	88.85 4.60%	111,063.97 347.57	1.19% (13,859.91)	Aaa / AA+ NR	3.11 2.99
91324PEC2	United Health Group Inc Callable Note Cont 4/15/2026 1.150% Due 05/15/2026	100,000.00	Various 1.05%	100,483.75 100,342.89	89.43 4.57%	89,433.19 146.94	0.95% (10,909.70)	A3 / A+ A	3.37 3.23
931142ER0	Wal-Mart Stores Callable Note Cont 08/17/2026 1.050% Due 09/17/2026	25,000.00	09/08/2021 1.09%	24,952.75 24,964.94	88.67 4.39%	22,166.39 75.83	0.24% (2,798.55)	Aa2 / AA AA	3.72 3.55
87612EBM7	Target Corp Callable Note Cont 12/15/2026 1.950% Due 01/15/2027	55,000.00	01/19/2022 1.99%	54,906.50 54,924.10	90.91 4.43%	49,999.41 494.54	0.54% (4,924.69)	A2 / A A	4.04 3.77
742718FV6	Procter & Gamble Co Note 1.900% Due 02/01/2027	125,000.00	01/27/2022 1.93%	124,822.50 124,854.97	91.04 4.32%	113,800.33 989.58	1.22% (11,054.64)	Aa3 / AA- NR	4.09 3.82
808513BY0	Charles Schwab Corp Callable Note Cont 2/3/2027 2.450% Due 03/03/2027	30,000.00	03/01/2022 2.47%	29,967.60 29,972.99	91.31 4.77%	27,394.30 240.92	0.29% (2,578.69)	A2 / A A	4.17 3.86

Holdings Report

As of December 31, 2022

Tuolumne Utilities District - Account #10768

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
09247XAN1	Blackrock Inc Note	75,000.00	04/27/2022	74,322.75	94.65	70,986.28	0.76%	Aa3 / AA-	4.21
	3.200% Due 03/15/2027		3.40%	74,416.68	4.61%	706.67	(3,430.40)	NR	3.83
665859AW4	Northern Trust Company Callable Note Cont 4/10/2027	100,000.00	06/27/2022	100,044.00	97.78	97,775.69	1.05%	A2 / A+	4.36
	4.000% Due 05/10/2027		3.99%	100,039.39	4.57%	566.67	(2,263.70)	A+	3.93
14913R3A3	Caterpillar Financial Service Note	50,000.00	08/24/2022	49,417.50	95.57	47,783.62	0.52%	A2 / A	4.62
	3.600% Due 08/12/2027		3.86%	49,458.65	4.68%	695.00	(1,675.03)	A	4.13
931142EX7	Wal-Mart Stores Callable Note Cont 09/09/2027	100,000.00	09/26/2022	96,631.00	98.61	98,612.22	1.06%	Aa2 / AA	4.69
	3.950% Due 09/09/2027		4.72%	96,808.12	4.28%	1,228.89	1,804.10	AA	4.18
				2,254,224.25		**2,100,531.07**	**22.48%**	**A1 / A+**	**2.24**
TOTAL Corporate		**2,210,000.00**	**1.38%**	**2,225,941.38**	**4.79%**	**11,926.59**	**(125,410.31)**	**A+**	**2.05**
Money Market Fund									
31846V203	First American Govt Obligation Fund Class Y	57,727.14	Various	57,727.14	1.00	57,727.14	0.61%	Aaa / AAA	0.00
			3.79%	57,727.14	3.79%	0.00	0.00	AAA	0.00
				57,727.14		**57,727.14**	**0.61%**	**Aaa / AAA**	**0.00**
TOTAL Money Market Fund		**57,727.14**	**3.79%**	**57,727.14**	**3.79%**	**0.00**	**0.00**	**AAA**	**0.00**
Supranational									
4581X0DZ8	Inter-American Dev Bank Note	155,000.00	09/15/2021	154,885.30	93.20	144,460.97	1.54%	Aaa / AAA	1.73
	0.500% Due 09/23/2024		0.52%	154,933.96	4.64%	210.97	(10,472.99)	NR	1.68
45950KCR9	International Finance Corp Note	100,000.00	07/12/2021	102,690.00	94.45	94,450.95	1.01%	Aaa / AAA	1.79
	1.375% Due 10/16/2024		0.54%	101,478.37	4.64%	286.46	(7,027.42)	NR	1.73
459058JL8	Intl. Bank Recon & Development Note	200,000.00	02/02/2021	199,926.00	89.92	179,844.96	1.92%	Aaa / AAA	2.83
	0.500% Due 10/28/2025		0.51%	199,955.82	4.33%	175.00	(20,110.86)	AAA	2.75
4581X0DV7	Inter-American Dev Bank Note	100,000.00	04/13/2021	99,542.00	89.58	89,576.00	0.95%	Aaa / AAA	3.30
	0.875% Due 04/20/2026		0.97%	99,697.76	4.29%	172.57	(10,121.76)	AAA	3.19
				557,043.30		**508,332.88**	**5.42%**	**Aaa / AAA**	**2.41**
TOTAL Supranational		**555,000.00**	**0.60%**	**556,065.91**	**4.47%**	**845.00**	**(47,733.03)**	**AAA**	**2.33**
US Treasury									
91282CBG5	US Treasury Note	100,000.00	11/10/2021	99,816.40	99.70	99,698.60	1.06%	Aaa / AA+	0.08
	0.125% Due 01/31/2023		0.28%	99,987.62	3.71%	52.31	(289.02)	AAA	0.08
91282CAP6	US Treasury Note	200,000.00	09/23/2021	199,343.75	96.47	192,945.40	2.05%	Aaa / AA+	0.79
	0.125% Due 10/15/2023		0.29%	199,749.21	4.74%	53.57	(6,803.81)	AAA	0.77

Holdings Report

As of December 31, 2022

Tuolumne Utilities District - Account #10768

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
91282CAW1	US Treasury Note 0.250% Due 11/15/2023	200,000.00	09/23/2021 0.30%	199,781.25 199,911.05	96.16 4.80%	192,312.40 64.92	2.05% (7,598.65)	Aaa / AA+ AAA	0.87 0.85
912828X70	US Treasury Note 2.000% Due 04/30/2024	200,000.00	02/25/2021 0.38%	210,226.56 204,279.45	96.52 4.73%	193,031.20 685.08	2.06% (11,248.25)	Aaa / AA+ AAA	1.33 1.29
9128282U3	US Treasury Note 1.875% Due 08/31/2024	200,000.00	02/22/2021 0.31%	210,914.06 205,164.01	95.70 4.59%	191,398.40 1,274.17	2.05% (13,765.61)	Aaa / AA+ AAA	1.67 1.60
91282CCX7	US Treasury Note 0.375% Due 09/15/2024	200,000.00	09/14/2021 0.45%	199,539.06 199,737.99	93.25 4.53%	186,507.80 223.76	1.99% (13,230.19)	Aaa / AA+ AAA	1.71 1.66
912828YM6	US Treasury Note 1.500% Due 10/31/2024	200,000.00	08/26/2021 0.49%	206,343.75 203,655.44	94.80 4.49%	189,593.80 513.81	2.02% (14,061.64)	Aaa / AA+ AAA	1.84 1.77
912828YV6	US Treasury Note 1.500% Due 11/30/2024	200,000.00	08/25/2021 0.51%	206,414.06 203,761.27	94.68 4.43%	189,359.40 263.74	2.02% (14,401.87)	Aaa / AA+ AAA	1.92 1.85
912828Z52	US Treasury Note 1.375% Due 01/31/2025	200,000.00	02/11/2021 0.31%	208,398.44 204,410.77	94.04 4.40%	188,070.40 1,150.82	2.01% (16,340.37)	Aaa / AA+ AAA	2.09 2.00
912828ZF0	US Treasury Note 0.500% Due 03/31/2025	200,000.00	02/24/2021 0.44%	200,523.44 200,287.10	91.91 4.31%	183,828.20 255.49	1.96% (16,458.90)	Aaa / AA+ AAA	2.25 2.19
912828ZL7	US Treasury Note 0.375% Due 04/30/2025	200,000.00	02/16/2021 0.42%	199,640.63 199,800.74	91.34 4.32%	182,671.80 128.45	1.94% (17,128.94)	Aaa / AA+ AAA	2.33 2.27
912828ZT0	US Treasury Note 0.250% Due 05/31/2025	200,000.00	08/06/2021 0.58%	197,523.44 198,431.45	90.86 4.28%	181,711.00 43.96	1.93% (16,720.45)	Aaa / AA+ AAA	2.42 2.36
91282CAB7	US Treasury Note 0.250% Due 07/31/2025	200,000.00	08/11/2021 0.65%	196,835.94 197,943.03	90.31 4.25%	180,617.20 209.24	1.92% (17,325.83)	Aaa / AA+ AAA	2.58 2.52
91282CAJ0	US Treasury Note 0.250% Due 08/31/2025	200,000.00	02/08/2021 0.42%	198,453.13 199,095.49	90.01 4.26%	180,023.40 169.89	1.92% (19,072.09)	Aaa / AA+ AAA	2.67 2.60
91282CAT8	US Treasury Note 0.250% Due 10/31/2025	200,000.00	02/16/2021 0.51%	197,601.56 198,555.63	89.51 4.22%	179,015.60 85.64	1.91% (19,540.03)	Aaa / AA+ AAA	2.84 2.76
91282CBC4	US Treasury Note 0.375% Due 12/31/2025	200,000.00	02/03/2021 0.45%	199,289.06 199,565.34	89.46 4.15%	178,921.80 2.07	1.90% (20,643.54)	Aaa / AA+ AAA	3.00 2.92
91282CBH3	US Treasury Note 0.375% Due 01/31/2026	200,000.00	02/16/2021 0.55%	198,273.44 198,925.31	89.06 4.19%	178,117.20 313.86	1.90% (20,808.11)	Aaa / AA+ AAA	3.09 3.00
91282CBQ3	US Treasury Note 0.500% Due 02/28/2026	100,000.00	03/04/2021 0.77%	98,683.59 99,165.77	89.21 4.18%	89,210.90 169.89	0.95% (9,954.87)	Aaa / AA+ AAA	3.16 3.07
91282CBT7	US Treasury Note 0.750% Due 03/31/2026	200,000.00	07/28/2021 0.69%	200,515.63 200,358.16	89.73 4.16%	179,468.80 383.24	1.91% (20,889.36)	Aaa / AA+ AAA	3.25 3.14
91282CCF6	US Treasury Note 0.750% Due 05/31/2026	200,000.00	07/29/2021 0.72%	200,328.13 200,231.51	89.29 4.14%	178,586.00 131.87	1.90% (21,645.51)	Aaa / AA+ AAA	3.42 3.30

Holdings Report

As of December 31, 2022

Tuolumne Utilities District - Account #10768

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
91282CCP4	US Treasury Note 0.625% Due 07/31/2026	200,000.00	08/05/2021 0.72%	199,101.56 199,354.80	88.47 4.12%	176,937.60 523.10	1.89% (22,417.20)	Aaa / AA+ AAA	3.58 3.47
91282CCW9	US Treasury Note 0.750% Due 08/31/2026	200,000.00	09/17/2021 0.87%	198,812.50 199,120.22	88.66 4.12%	177,328.20 509.67	1.89% (21,792.02)	Aaa / AA+ AAA	3.67 3.53
91282CDG3	US Treasury Note 1.125% Due 10/31/2026	200,000.00	12/29/2021 1.28%	198,554.69 198,855.05	89.56 4.10%	179,125.00 385.36	1.91% (19,730.05)	Aaa / AA+ AAA	3.84 3.67
91282CDK4	US Treasury Note 1.250% Due 11/30/2026	200,000.00	04/19/2022 2.87%	186,070.31 188,186.63	89.86 4.08%	179,711.00 219.78	1.91% (8,475.63)	Aaa / AA+ AAA	3.92 3.75
91282CEN7	US Treasury Note 2.750% Due 04/30/2027	175,000.00	07/14/2022 3.14%	171,999.02 172,290.54	94.91 4.04%	166,085.85 824.24	1.78% (6,204.69)	Aaa / AA+ AAA	4.33 4.01
91282CEW7	US Treasury Note 3.250% Due 06/30/2027	200,000.00	08/24/2022 3.23%	200,187.50 200,173.83	96.84 4.02%	193,679.60 17.96	2.06% (6,494.23)	Aaa / AA+ AAA	4.50 4.13
91282CFH9	US Treasury Note 3.125% Due 08/31/2027	175,000.00	09/26/2022 4.18%	166,837.89 167,273.44	96.34 3.99%	168,587.83 1,858.17	1.81% 1,314.39	Aaa / AA+ AAA	4.67 4.24
9128283F5	US Treasury Note 2.250% Due 11/15/2027	200,000.00	11/28/2022 3.93%	184,953.13 185,227.16	92.31 4.00%	184,617.20 584.25	1.97% (609.96)	Aaa / AA+ AAA	4.88 4.53
				5,334,961.92		**4,941,161.58**	**52.69%**	**Aaa / AA+**	**2.75**
TOTAL US Treasury		**5,350,000.00**	**1.04%**	**5,323,498.01**	**4.28%**	**11,098.31**	**(382,336.43)**	**AAA**	**2.63**
				10,079,729.08		**9,372,202.03**	**100.00%**	**Aa1 / AA**	**2.45**
TOTAL PORTFOLIO		**10,030,628.69**	**1.00%**	**10,027,865.39**	**4.50%**	**26,679.53**	**(655,663.36)**	**AAA**	**2.22**
TOTAL MARKET VALUE PLUS ACCRUALS						**9,398,881.56**			

Holdings Report

As of December 31, 2022

Tuolumne Utilities District Reporting - Account #10797

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
LAIF									
90LAIF$00	Local Agency Investment Fund State Pool	10,461,558.80	Various 2.23%	10,461,558.80 10,461,558.80	1.00 2.23%	10,461,558.80 50,573.72	100.00% 0.00	NR / NR NR	0.00 0.00
				10,461,558.80		**10,461,558.80**	**100.00%**	**NR / NR**	**0.00**
TOTAL LAIF		**10,461,558.80**	**2.23%**	**10,461,558.80**	**2.23%**	**50,573.72**	**0.00**	**NR**	**0.00**
				10,461,558.80		**10,461,558.80**	**100.00%**	**NR / NR**	**0.00**
TOTAL PORTFOLIO		**10,461,558.80**	**2.23%**	**10,461,558.80**	**2.23%**	**50,573.72**	**0.00**	**NR**	**0.00**
TOTAL MARKET VALUE PLUS ACCRUALS						**10,512,132.52**			

Holdings Report

As of December 31, 2022

Tuolumne Utilities District Consolidated - Account #10798

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
36262XAC8	GM Financial Auto Lease Trust 2021-3 A2	70,000.00	08/10/2021	69,999.05	97.16	68,009.94	0.34%	NR / AAA	1.81
	0.390% Due 10/21/2024		0.39%	69,999.59	5.38%	8.34	(1,989.65)	AAA	0.57
58769KAD6	Mercedes-Benz Auto Lease Trust 2021-B A3	25,000.00	06/22/2021	24,998.11	97.12	24,279.43	0.12%	NR / AAA	1.88
	0.400% Due 11/15/2024		0.40%	24,999.23	5.30%	4.44	(719.80)	AAA	0.59
09690AAC7	BMW Vehicle Lease Trust 2021-2 A3	29,238.47	09/08/2021	29,235.45	97.72	28,570.44	0.14%	Aaa / NR	1.99
	0.330% Due 12/26/2024		0.34%	29,237.17	5.25%	1.61	(666.73)	AAA	0.46
05601XAC3	BMW Vehicle Lease Trust 2022-1 A3	30,000.00	01/11/2022	29,995.52	96.74	29,023.19	0.15%	NR / AAA	2.23
	1.100% Due 03/25/2025		1.11%	29,997.47	5.29%	5.50	(974.28)	AAA	0.78
43813GAC5	Honda Auto Receivables Trust 2021-1 A3	17,531.06	02/17/2021	17,530.74	96.73	16,957.89	0.09%	Aaa / NR	2.31
	0.270% Due 04/21/2025		0.27%	17,530.93	6.22%	1.31	(573.04)	AAA	0.55
47788UAC6	John Deere Owner Trust 2021-A A3	17,444.04	03/02/2021	17,440.70	96.55	16,842.92	0.08%	Aaa / NR	2.71
	0.360% Due 09/15/2025		0.37%	17,442.38	5.21%	2.79	(599.46)	AAA	0.71
44933LAC7	Hyundai Auto Receivables Trust 2021-A A3	18,687.98	04/20/2021	18,686.01	96.71	18,073.03	0.09%	NR / AAA	2.71
	0.380% Due 09/15/2025		0.38%	18,687.10	5.51%	3.16	(614.07)	AAA	0.64
89190GAC1	Toyota Auto Receivables Trust 2021-B A3	70,000.00	06/08/2021	69,992.46	96.15	67,306.58	0.34%	NR / AAA	2.88
	0.260% Due 11/17/2025		0.26%	69,996.15	5.48%	8.09	(2,689.57)	AAA	0.74
43815EAC8	Honda Auto Receivables 2021-3 A3	65,000.00	08/17/2021	64,999.05	95.39	62,006.01	0.31%	NR / AAA	2.88
	0.410% Due 11/18/2025		0.41%	64,999.45	5.35%	9.62	(2,993.44)	AAA	0.94
43815GAC3	Honda Auto Receivables Trust 2021-4 A3	35,000.00	11/16/2021	34,992.62	94.91	33,217.02	0.17%	Aaa / NR	3.06
	0.880% Due 01/21/2026		0.89%	34,995.13	5.11%	8.56	(1,778.11)	AAA	1.22
47789QAC4	John Deere Owner Trust 2021-B A3	40,000.00	07/13/2021	39,996.43	94.91	37,963.11	0.19%	Aaa / NR	3.21
	0.520% Due 03/16/2026		0.52%	39,997.85	5.29%	9.24	(2,034.74)	AAA	1.08
89238JAC9	Toyota Auto Receivables Trust 2021-D A3	30,000.00	11/09/2021	29,999.36	94.21	28,263.00	0.14%	NR / AAA	3.29
	0.710% Due 04/15/2026		0.71%	29,999.58	5.70%	9.47	(1,736.58)	AAA	1.18
44935FAD6	Hyundai Auto Receivables Trust 2021-C A3	25,000.00	11/09/2021	24,994.42	94.47	23,616.40	0.12%	NR / AAA	3.37
	0.740% Due 05/15/2026		0.75%	24,996.40	5.54%	8.22	(1,380.00)	AAA	1.17
362554AC1	GM Financial Securitized Term 2021-4 A3	25,000.00	10/13/2021	24,999.36	94.48	23,620.31	0.12%	Aaa / AAA	3.71
	0.680% Due 09/16/2026		0.68%	24,999.59	5.54%	7.08	(1,379.28)	NR	1.15
380146AC4	GM Financial Auto Receivables 2022-1 A3	20,000.00	01/11/2022	19,998.26	94.55	18,909.66	0.10%	NR / AAA	3.88
	1.260% Due 11/16/2026		1.27%	19,998.76	5.35%	10.50	(1,089.10)	AAA	1.35
47800AAC4	John Deere Owner Trust 2022-B A3	40,000.00	07/12/2022	39,996.18	97.70	39,080.31	0.20%	Aaa / NR	4.13
	3.740% Due 02/16/2027		3.77%	39,996.66	4.93%	66.49	(916.35)	AAA	1.99
				557,853.72		**535,739.24**	**2.69%**	**Aaa / AAA**	**2.83**
TOTAL ABS		**557,901.55**	**0.77%**	**557,873.44**	**5.37%**	**164.42**	**(22,134.20)**	**AAA**	**0.94**

Holdings Report

As of December 31, 2022

Tuolumne Utilities District Consolidated - Account #10798

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Agency									
3137EAER6	FHLMC Note	200,000.00	09/17/2021	200,600.00	98.62	197,233.54	0.99%	Aaa / AA+	0.34
	0.375% Due 05/05/2023		0.19%	200,125.68	4.45%	116.67	(2,892.14)	AAA	0.34
3135G05G4	FNMA Note	200,000.00	06/03/2021	200,282.00	97.65	195,309.92	0.98%	Aaa / AA+	0.52
	0.250% Due 07/10/2023		0.18%	200,069.95	4.83%	237.50	(4,760.03)	AAA	0.51
3135G0U43	FNMA Note	200,000.00	06/01/2021	212,123.50	98.71	197,429.46	1.00%	Aaa / AA+	0.70
	2.875% Due 09/12/2023		0.21%	203,701.16	4.77%	1,740.98	(6,271.70)	AAA	0.67
3135G04Z3	FNMA Note	200,000.00	02/10/2021	200,454.60	91.07	182,130.27	0.91%	Aaa / AA+	2.46
	0.500% Due 06/17/2025		0.45%	200,257.23	4.37%	38.89	(18,126.96)	AAA	2.40
3135G05X7	FNMA Note	200,000.00	02/11/2021	199,248.40	90.27	180,536.43	0.91%	Aaa / AA+	2.65
	0.375% Due 08/25/2025		0.46%	199,560.85	4.30%	262.50	(19,024.42)	AAA	2.58
3137EAEX3	FHLMC Note	200,000.00	02/08/2021	199,054.00	90.07	180,139.95	0.91%	Aaa / AA+	2.73
	0.375% Due 09/23/2025		0.48%	199,441.48	4.27%	204.17	(19,301.53)	AAA	2.66
				1,211,762.50		**1,132,779.57**	**5.70%**	**Aaa / AA+**	**1.52**
TOTAL Agency		**1,200,000.00**	**0.33%**	**1,203,156.35**	**4.50%**	**2,600.71**	**(70,376.78)**	**AAA**	**1.48**
CMO									
3137BFXT3	FHLMC K042 A2	100,000.00	08/19/2021	106,156.25	95.93	95,930.55	0.48%	Aaa / NR	1.99
	2.670% Due 12/25/2024		0.62%	103,603.16	4.93%	44.50	(7,672.61)	NR	1.76
				106,156.25		**95,930.55**	**0.48%**	**Aaa / NR**	**1.99**
TOTAL CMO		**100,000.00**	**0.62%**	**103,603.16**	**4.93%**	**44.50**	**(7,672.61)**	**NR**	**1.76**
Corporate									
084670BR8	Berkshire Hathaway Callable Note Cont 1/15/2023	125,000.00	03/10/2021	130,420.00	99.57	124,464.77	0.63%	Aa2 / AA	0.20
	2.750% Due 03/15/2023		0.58%	125,539.78	4.81%	1,012.15	(1,075.01)	A+	0.20
89236TJD8	Toyota Motor Credit Corp Note	30,000.00	04/06/2021	29,975.70	98.89	29,667.28	0.15%	A1 / A+	0.26
	0.400% Due 04/06/2023		0.44%	29,996.82	4.65%	28.33	(329.54)	A+	0.26
06406FAD5	Bank of NY Mellon Corp Callable Note Cont 6/16/2023	100,000.00	03/10/2021	103,958.00	98.45	98,450.32	0.50%	A1 / A	0.62
	2.200% Due 08/16/2023		0.56%	101,012.93	4.73%	825.00	(2,562.61)	AA-	0.61
24422EVN6	John Deere Capital Corp Note	70,000.00	03/01/2021	69,950.30	95.64	66,947.84	0.34%	A2 / A	1.05
	0.450% Due 01/17/2024		0.47%	69,981.95	4.78%	143.50	(3,034.11)	A	1.02
06051GHF9	Bank of America Corp Callable Note 1X 3/5/2023	125,000.00	09/17/2021	130,398.75	99.64	124,554.64	0.63%	A2 / A-	1.18
	3.550% Due 03/05/2024		2.61%	127,584.89	5.47%	1,429.86	(3,030.25)	AA-	0.18

Holdings Report

As of December 31, 2022

Tuolumne Utilities District Consolidated - Account #10798

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
808513BN4	Charles Schwab Corp Callable Note Cont 2/18/2024 0.750% Due 03/18/2024	100,000.00	Various 0.68%	100,220.20 100,089.24	95.07 4.99%	95,068.00 214.59	0.48% (5,021.24)	A2 / A A	1.21 1.18
023135BW5	Amazon.com Inc Note 0.450% Due 05/12/2024	125,000.00	Various 0.77%	124,041.90 124,466.70	94.22 4.88%	117,781.00 76.57	0.59% (6,685.70)	A1 / AA AA-	1.36 1.33
46625HJX9	JP Morgan Chase Note 3.625% Due 05/13/2024	100,000.00	02/05/2021 0.50%	110,092.00 104,226.93	98.31 4.92%	98,309.51 483.33	0.50% (5,917.42)	A1 / A- AA-	1.37 1.31
14913R2L0	Caterpillar Financial Service Note 0.450% Due 05/17/2024	85,000.00	05/10/2021 0.50%	84,886.10 84,947.83	94.13 4.91%	80,012.69 46.75	0.40% (4,935.14)	A2 / A A	1.38 1.34
89114QCA4	Toronto Dominion Bank Note 2.650% Due 06/12/2024	100,000.00	04/23/2021 0.65%	106,177.00 102,855.92	96.77 4.99%	96,773.72 139.86	0.49% (6,082.20)	A1 / A AA-	1.45 1.39
89236TJH9	Toyota Motor Credit Corp Note 0.500% Due 06/18/2024	35,000.00	06/15/2021 0.54%	34,958.35 34,979.71	93.85 4.90%	32,847.79 6.32	0.17% (2,131.92)	A1 / A+ A+	1.47 1.43
79466LAG9	Salesforce.com Inc Callable Note Cont 7/15/2022 0.625% Due 07/15/2024	10,000.00	06/29/2021 0.64%	9,994.90 9,997.40	93.84 4.83%	9,384.09 28.82	0.05% (613.31)	A2 / A+ NR	1.54 1.49
91159HHX1	US Bancorp Callable Note Cont 6/28/2024 2.400% Due 07/30/2024	100,000.00	02/05/2021 0.52%	106,483.00 102,947.28	96.17 4.94%	96,174.93 1,006.67	0.49% (6,772.35)	A2 / A+ A+	1.58 1.51
69371RR40	Paccar Financial Corp Note 0.500% Due 08/09/2024	70,000.00	08/03/2021 0.52%	69,962.20 69,979.79	93.14 5.00%	65,199.25 138.06	0.33% (4,780.54)	A1 / A+ NR	1.61 1.56
78015K7C2	Royal Bank of Canada Note 2.250% Due 11/01/2024	125,000.00	02/05/2021 0.53%	132,916.25 128,897.05	95.37 4.92%	119,213.88 468.75	0.60% (9,683.17)	A1 / A AA-	1.84 1.76
06367WB85	Bank of Montreal Note 1.850% Due 05/01/2025	125,000.00	08/06/2021 0.89%	129,363.75 127,730.55	93.33 4.91%	116,665.96 385.42	0.59% (11,064.59)	A2 / A- AA-	2.33 2.23
037833EB2	Apple Inc Callable Note Cont 1/8/2026 0.700% Due 02/08/2026	125,000.00	02/05/2021 0.72%	124,877.50 124,923.88	88.85 4.60%	111,063.97 347.57	0.56% (13,859.91)	Aaa / AA+ NR	3.11 2.99
91324PEC2	United Health Group Inc Callable Note Cont 4/15/2026 1.150% Due 05/15/2026	100,000.00	Various 1.05%	100,483.75 100,342.89	89.43 4.57%	89,433.19 146.94	0.45% (10,909.70)	A3 / A+ A	3.37 3.23
931142ER0	Wal-Mart Stores Callable Note Cont 08/17/2026 1.050% Due 09/17/2026	25,000.00	09/08/2021 1.09%	24,952.75 24,964.94	88.67 4.39%	22,166.39 75.83	0.11% (2,798.55)	Aa2 / AA AA	3.72 3.55
87612EBM7	Target Corp Callable Note Cont 12/15/2026 1.950% Due 01/15/2027	55,000.00	01/19/2022 1.99%	54,906.50 54,924.10	90.91 4.43%	49,999.41 494.54	0.25% (4,924.69)	A2 / A A	4.04 3.77
742718FV6	Procter & Gamble Co Note 1.900% Due 02/01/2027	125,000.00	01/27/2022 1.93%	124,822.50 124,854.97	91.04 4.32%	113,800.33 989.58	0.58% (11,054.64)	Aa3 / AA- NR	4.09 3.82
808513BY0	Charles Schwab Corp Callable Note Cont 2/3/2027 2.450% Due 03/03/2027	30,000.00	03/01/2022 2.47%	29,967.60 29,972.99	91.31 4.77%	27,394.30 240.92	0.14% (2,578.69)	A2 / A A	4.17 3.86

Holdings Report

As of December 31, 2022

Tuolumne Utilities District Consolidated - Account #10798

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
09247XAN1	Blackrock Inc Note	75,000.00	04/27/2022	74,322.75	94.65	70,986.28	0.36%	Aa3 / AA-	4.21
	3.200% Due 03/15/2027		3.40%	74,416.68	4.61%	706.67	(3,430.40)	NR	3.83
665859AW4	Northern Trust Company Callable Note Cont 4/10/2027	100,000.00	06/27/2022	100,044.00	97.78	97,775.69	0.49%	A2 / A+	4.36
	4.000% Due 05/10/2027		3.99%	100,039.39	4.57%	566.67	(2,263.70)	A+	3.93
14913R3A3	Caterpillar Financial Service Note	50,000.00	08/24/2022	49,417.50	95.57	47,783.62	0.24%	A2 / A	4.62
	3.600% Due 08/12/2027		3.86%	49,458.65	4.68%	695.00	(1,675.03)	A	4.13
931142EX7	Wal-Mart Stores Callable Note Cont 09/09/2027	100,000.00	09/26/2022	96,631.00	98.61	98,612.22	0.50%	Aa2 / AA	4.69
	3.950% Due 09/09/2027		4.72%	96,808.12	4.28%	1,228.89	1,804.10	AA	4.18
				2,254,224.25		**2,100,531.07**	**10.61%**	**A1 / A+**	**2.24**
TOTAL Corporate		**2,210,000.00**	**1.38%**	**2,225,941.38**	**4.79%**	**11,926.59**	**(125,410.31)**	**A+**	**2.05**
LAIF									
90LAIF$00	Local Agency Investment Fund State Pool	10,461,558.80	Various	10,461,558.80	1.00	10,461,558.80	52.80%	NR / NR	0.00
			2.23%	10,461,558.80	2.23%	50,573.72	0.00	NR	0.00
				10,461,558.80		**10,461,558.80**	**52.80%**	**NR / NR**	**0.00**
TOTAL LAIF		**10,461,558.80**	**2.23%**	**10,461,558.80**	**2.23%**	**50,573.72**	**0.00**	**NR**	**0.00**
Money Market Fund									
31846V203	First American Govt Obligation Fund Class Y	57,727.14	Various	57,727.14	1.00	57,727.14	0.29%	Aaa / AAA	0.00
			3.79%	57,727.14	3.79%	0.00	0.00	AAA	0.00
				57,727.14		**57,727.14**	**0.29%**	**Aaa / AAA**	**0.00**
TOTAL Money Market Fund		**57,727.14**	**3.79%**	**57,727.14**	**3.79%**	**0.00**	**0.00**	**AAA**	**0.00**
Supranational									
4581X0DZ8	Inter-American Dev Bank Note	155,000.00	09/15/2021	154,885.30	93.20	144,460.97	0.73%	Aaa / AAA	1.73
	0.500% Due 09/23/2024		0.52%	154,933.96	4.64%	210.97	(10,472.99)	NR	1.68
45950KCR9	International Finance Corp Note	100,000.00	07/12/2021	102,690.00	94.45	94,450.95	0.48%	Aaa / AAA	1.79
	1.375% Due 10/16/2024		0.54%	101,478.37	4.64%	286.46	(7,027.42)	NR	1.73
459058JL8	Intl. Bank Recon & Development Note	200,000.00	02/02/2021	199,926.00	89.92	179,844.96	0.90%	Aaa / AAA	2.83
	0.500% Due 10/28/2025		0.51%	199,955.82	4.33%	175.00	(20,110.86)	AAA	2.75
4581X0DV7	Inter-American Dev Bank Note	100,000.00	04/13/2021	99,542.00	89.58	89,576.00	0.45%	Aaa / AAA	3.30
	0.875% Due 04/20/2026		0.97%	99,697.76	4.29%	172.57	(10,121.76)	AAA	3.19
				557,043.30		**508,332.88**	**2.56%**	**Aaa / AAA**	**2.41**
TOTAL Supranational		**555,000.00**	**0.60%**	**556,065.91**	**4.47%**	**845.00**	**(47,733.03)**	**AAA**	**2.33**

Holdings Report

As of December 31, 2022

Tuolumne Utilities District Consolidated - Account #10798

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US Treasury									
91282CBG5	US Treasury Note 0.125% Due 01/31/2023	100,000.00	11/10/2021 0.28%	99,816.40 99,987.62	99.70 3.71%	99,698.60 52.31	0.50% (289.02)	Aaa / AA+ AAA	0.08 0.08
91282CAP6	US Treasury Note 0.125% Due 10/15/2023	200,000.00	09/23/2021 0.29%	199,343.75 199,749.21	96.47 4.74%	192,945.40 53.57	0.97% (6,803.81)	Aaa / AA+ AAA	0.79 0.77
91282CAW1	US Treasury Note 0.250% Due 11/15/2023	200,000.00	09/23/2021 0.30%	199,781.25 199,911.05	96.16 4.80%	192,312.40 64.92	0.97% (7,598.65)	Aaa / AA+ AAA	0.87 0.85
912828X70	US Treasury Note 2.000% Due 04/30/2024	200,000.00	02/25/2021 0.38%	210,226.56 204,279.45	96.52 4.73%	193,031.20 685.08	0.97% (11,248.25)	Aaa / AA+ AAA	1.33 1.29
9128282U3	US Treasury Note 1.875% Due 08/31/2024	200,000.00	02/22/2021 0.31%	210,914.06 205,164.01	95.70 4.59%	191,398.40 1,274.17	0.97% (13,765.61)	Aaa / AA+ AAA	1.67 1.60
91282CCX7	US Treasury Note 0.375% Due 09/15/2024	200,000.00	09/14/2021 0.45%	199,539.06 199,737.99	93.25 4.53%	186,507.80 223.76	0.94% (13,230.19)	Aaa / AA+ AAA	1.71 1.66
912828YM6	US Treasury Note 1.500% Due 10/31/2024	200,000.00	08/26/2021 0.49%	206,343.75 203,655.44	94.80 4.49%	189,593.80 513.81	0.95% (14,061.64)	Aaa / AA+ AAA	1.84 1.77
912828YV6	US Treasury Note 1.500% Due 11/30/2024	200,000.00	08/25/2021 0.51%	206,414.06 203,761.27	94.68 4.43%	189,359.40 263.74	0.95% (14,401.87)	Aaa / AA+ AAA	1.92 1.85
912828Z52	US Treasury Note 1.375% Due 01/31/2025	200,000.00	02/11/2021 0.31%	208,398.44 204,410.77	94.04 4.40%	188,070.40 1,150.82	0.95% (16,340.37)	Aaa / AA+ AAA	2.09 2.00
912828ZF0	US Treasury Note 0.500% Due 03/31/2025	200,000.00	02/24/2021 0.44%	200,523.44 200,287.10	91.91 4.31%	183,828.20 255.49	0.92% (16,458.90)	Aaa / AA+ AAA	2.25 2.19
912828ZL7	US Treasury Note 0.375% Due 04/30/2025	200,000.00	02/16/2021 0.42%	199,640.63 199,800.74	91.34 4.32%	182,671.80 128.45	0.92% (17,128.94)	Aaa / AA+ AAA	2.33 2.27
912828ZT0	US Treasury Note 0.250% Due 05/31/2025	200,000.00	08/06/2021 0.58%	197,523.44 198,431.45	90.86 4.28%	181,711.00 43.96	0.91% (16,720.45)	Aaa / AA+ AAA	2.42 2.36
91282CAB7	US Treasury Note 0.250% Due 07/31/2025	200,000.00	08/11/2021 0.65%	196,835.94 197,943.03	90.31 4.25%	180,617.20 209.24	0.91% (17,325.83)	Aaa / AA+ AAA	2.58 2.52
91282CAJ0	US Treasury Note 0.250% Due 08/31/2025	200,000.00	02/08/2021 0.42%	198,453.13 199,095.49	90.01 4.26%	180,023.40 169.89	0.90% (19,072.09)	Aaa / AA+ AAA	2.67 2.60
91282CAT8	US Treasury Note 0.250% Due 10/31/2025	200,000.00	02/16/2021 0.51%	197,601.56 198,555.63	89.51 4.22%	179,015.60 85.64	0.90% (19,540.03)	Aaa / AA+ AAA	2.84 2.76
91282CBC4	US Treasury Note 0.375% Due 12/31/2025	200,000.00	02/03/2021 0.45%	199,289.06 199,565.34	89.46 4.15%	178,921.80 2.07	0.90% (20,643.54)	Aaa / AA+ AAA	3.00 2.92
91282CBH3	US Treasury Note 0.375% Due 01/31/2026	200,000.00	02/16/2021 0.55%	198,273.44 198,925.31	89.06 4.19%	178,117.20 313.86	0.90% (20,808.11)	Aaa / AA+ AAA	3.09 3.00

Holdings Report

As of December 31, 2022

Tuolumne Utilities District Consolidated - Account #10798

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
91282CBQ3	US Treasury Note 0.500% Due 02/28/2026	100,000.00	03/04/2021 0.77%	98,683.59 99,165.77	89.21 4.18%	89,210.90 169.89	0.45% (9,954.87)	Aaa / AA+ AAA	3.16 3.07
91282CBT7	US Treasury Note 0.750% Due 03/31/2026	200,000.00	07/28/2021 0.69%	200,515.63 200,358.16	89.73 4.16%	179,468.80 383.24	0.90% (20,889.36)	Aaa / AA+ AAA	3.25 3.14
91282CCF6	US Treasury Note 0.750% Due 05/31/2026	200,000.00	07/29/2021 0.72%	200,328.13 200,231.51	89.29 4.14%	178,586.00 131.87	0.90% (21,645.51)	Aaa / AA+ AAA	3.42 3.30
91282CCP4	US Treasury Note 0.625% Due 07/31/2026	200,000.00	08/05/2021 0.72%	199,101.56 199,354.80	88.47 4.12%	176,937.60 523.10	0.89% (22,417.20)	Aaa / AA+ AAA	3.58 3.47
91282CCW9	US Treasury Note 0.750% Due 08/31/2026	200,000.00	09/17/2021 0.87%	198,812.50 199,120.22	88.66 4.12%	177,328.20 509.67	0.89% (21,792.02)	Aaa / AA+ AAA	3.67 3.53
91282CDG3	US Treasury Note 1.125% Due 10/31/2026	200,000.00	12/29/2021 1.28%	198,554.69 198,855.05	89.56 4.10%	179,125.00 385.36	0.90% (19,730.05)	Aaa / AA+ AAA	3.84 3.67
91282CDK4	US Treasury Note 1.250% Due 11/30/2026	200,000.00	04/19/2022 2.87%	186,070.31 188,186.63	89.86 4.08%	179,711.00 219.78	0.90% (8,475.63)	Aaa / AA+ AAA	3.92 3.75
91282CEN7	US Treasury Note 2.750% Due 04/30/2027	175,000.00	07/14/2022 3.14%	171,999.02 172,290.54	94.91 4.04%	166,085.85 824.24	0.84% (6,204.69)	Aaa / AA+ AAA	4.33 4.01
91282CEW7	US Treasury Note 3.250% Due 06/30/2027	200,000.00	08/24/2022 3.23%	200,187.50 200,173.83	96.84 4.02%	193,679.60 17.96	0.97% (6,494.23)	Aaa / AA+ AAA	4.50 4.13
91282CFH9	US Treasury Note 3.125% Due 08/31/2027	175,000.00	09/26/2022 4.18%	166,837.89 167,273.44	96.34 3.99%	168,587.83 1,858.17	0.86% 1,314.39	Aaa / AA+ AAA	4.67 4.24
9128283F5	US Treasury Note 2.250% Due 11/15/2027	200,000.00	11/28/2022 3.93%	184,953.13 185,227.16	92.31 4.00%	184,617.20 584.25	0.93% (609.96)	Aaa / AA+ AAA	4.88 4.53
				5,334,961.92		**4,941,161.58**	**24.87%**	**Aaa / AA+**	**2.75**
TOTAL US Treasury		**5,350,000.00**	**1.04%**	**5,323,498.01**	**4.28%**	**11,098.31**	**(382,336.43)**	**AAA**	**2.63**
				20,541,287.88		**19,833,760.83**	**100.00%**	**Aa1 / AA**	**1.16**
TOTAL PORTFOLIO		**20,492,187.49**	**1.63%**	**20,489,424.19**	**3.30%**	**77,253.25**	**(655,663.36)**	**AAA**	**1.05**
TOTAL MARKET VALUE PLUS ACCRUALS						**19,911,014.08**			

Section 5 | Transactions

Transaction Ledger

As of December 31, 2022

Tuolumne Utilities District - Account #10768

September 30, 2022 through December 31, 2022

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	11/29/2022	9128283F5	200,000.00	US Treasury Note 2.25% Due: 11/15/2027	92.477	3.93%	184,953.13	174.03	185,127.16	0.00
Subtotal			**200,000.00**				**184,953.13**	**174.03**	**185,127.16**	**0.00**
TOTAL ACQUISITIONS			**200,000.00**				**184,953.13**	**174.03**	**185,127.16**	**0.00**
DISPOSITIONS										
Sale	11/29/2022	91282CBN0	200,000.00	US Treasury Note 0.125% Due: 02/28/2023	98.953	4.33%	197,906.25	62.15	197,968.40	-2,071.71
Subtotal			**200,000.00**				**197,906.25**	**62.15**	**197,968.40**	**-2,071.71**
TOTAL DISPOSITIONS			**200,000.00**				**197,906.25**	**62.15**	**197,968.40**	**-2,071.71**

Transaction Ledger

As of December 31, 2022

Tuolumne Utilities District Reporting - Account #10797

September 30, 2022 through December 31, 2022

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	10/15/2022	90LAIF$00	29,631.97	Local Agency Investment Fund State Pool	1.000	1.60%	29,631.97	0.00	29,631.97	0.00
Subtotal			**29,631.97**				**29,631.97**	**0.00**	**29,631.97**	**0.00**
Security Contribution	10/31/2022	90LAIF$00	1,000,000.00	Local Agency Investment Fund State Pool	1.000		1,000,000.00	0.00	1,000,000.00	0.00
Subtotal			**1,000,000.00**				**1,000,000.00**	**0.00**	**1,000,000.00**	**0.00**
TOTAL ACQUISITIONS			**1,029,631.97**				**1,029,631.97**	**0.00**	**1,029,631.97**	**0.00**

Transaction Ledger

As of December 31, 2022

Tuolumne Utilities District Consolidated - Account #10798

September 30, 2022 through December 31, 2022

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	10/15/2022	90LAIF$00	29,631.97	Local Agency Investment Fund State Pool	1.000	1.60%	29,631.97	0.00	29,631.97	0.00
Purchase	11/29/2022	9128283F5	200,000.00	US Treasury Note 2.25% Due: 11/15/2027	92.477	3.93%	184,953.13	174.03	185,127.16	0.00
Subtotal			**229,631.97**				**214,585.10**	**174.03**	**214,759.13**	**0.00**
Security Contribution	10/31/2022	90LAIF$00	1,000,000.00	Local Agency Investment Fund State Pool	1.000		1,000,000.00	0.00	1,000,000.00	0.00
Subtotal			**1,000,000.00**				**1,000,000.00**	**0.00**	**1,000,000.00**	**0.00**
TOTAL ACQUISITIONS			**1,229,631.97**				**1,214,585.10**	**174.03**	**1,214,759.13**	**0.00**
DISPOSITIONS										
Sale	11/29/2022	91282CBN0	200,000.00	US Treasury Note 0.125% Due: 02/28/2023	98.953	4.33%	197,906.25	62.15	197,968.40	-2,071.71
Subtotal			**200,000.00**				**197,906.25**	**62.15**	**197,968.40**	**-2,071.71**
TOTAL DISPOSITIONS			**200,000.00**				**197,906.25**	**62.15**	**197,968.40**	**-2,071.71**

Important Disclosures

As of December 31, 2022

2022 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by ICE Data Services Inc ("IDS"), an independent pricing source. In the event IDS does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

Source ICE Data Indices, LLC ("ICE"), used with permission. ICE permits use of the ICE indices and related data on an "as is" basis; ICE, its affiliates and their respective third party suppliers disclaim any and all warranties and representations, express and/or implied, including any warranties of merchantability or fitness for a particular purpose or use, including the indices, index data and any data included in, related to, or derived therefrom. Neither ICE data, its affiliates or their respective third party providers guarantee the quality, adequacy, accuracy, timeliness or completeness of the indices or the index data or any component thereof, and the indices and index data and all components thereof are provided on an "as is" basis and licensee's use it at licensee's own risk. ICE data, its affiliates and their respective third party do not sponsor, endorse, or recommend chandler asset management, or any of its products or services.

This report is provided for informational purposes only and should not be construed as a specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of publication, but may become outdated or superseded at any time without notice. Any opinions or views expressed are based on current market conditions and are subject to change. This report may contain forecasts and forward-looking statements which are inherently limited and should not be relied upon as indicator of future results. Past performance is not indicative of future results. This report is not intended to constitute an offer, solicitation, recommendation or advice regarding any securities or investment strategy and should not be regarded by recipients as a substitute for the exercise of their own judgment.

Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.

Benchmark Disclosures

As of December 31, 2022

ICE BofA 1-5 Yr US Treasury & Agency Index

The ICE BofA 1-5 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule, and a minimum amount outstanding of $1 billion for sovereigns and $250 million for agencies.

TUOLUMNE UTILITIES DISTRICT

Agenda Item No.III.3

MEMORANDUM

Board Meeting of January 24, 2023

To: Board of Directors

From: Emily Long, Administrative and External Affairs Specialist
Abby Parcon, Administrative Services Director

Agenda Section: Regular Business

Subject: Consider Adopting a Resolution Authorizing the Submission of a Department of Water Resources Urban Drought 2022 Tuolumne Utilities District Grant Proposal for the Phoenix Lake Dredging and Bypass Pipeline Project and the Sediment Basin and Wetland Enhancement Project.

Summary

Recommendation:

Authorize staff to submit a grant application for the Urban Community Drought Relief Funding Program funded through the Department of Water Resources for the Phoenix Lake Dredging and Bypass Pipeline Project and the Sediment Basin and Wetland Enhancement Project and adopt the attached Board Resolution.

Issue:

The Department of Water Resources has announced that $175 million dollars of General Fund monies have been appropriated for the Urban Community Drought Relief Program to address drought impacts. Funds will be available for encumbrance or expenditure until December 2026. In 2012 the District secured a State grant to begin work on Phoenix Lake to restore water storage capacity and water quality by removing accumulated sediment. The District was successful in accomplishing many objectives, including removal of 150,000 cubic yards of sediment and constructing a sediment capturing basin at one of the lake inlets; however, the grant funds received were not sufficient to fund all aspects of the original conceptual plan. TUD proposes submitting a grant application for two projects that will restore and preserve Phoenix Lake : 1) install a bypass water pipeline and dredge the south and east pools, and 2) install a sediment basin in the boot area, and establish a wetland habitat.

Fiscal Impact: The District will apply for a grant in the amount of $23,461,821 to cover the costs of the Phoenix Lake Dredging and Bypass Pipeline Project and the Sediment Basin and Wetland Enhancement Project.. The District has identified the area of benefit as a disadvantaged community (DAC); however, if the DAC determination is rejected, the District would be responsible for a 25% local match, up to approximately $5.8 million.

Previously Related Action: On November 15, 2022, the Board of Directors directed staff to seek grant funding to complete additional projects to further restore and preserve Phoenix Lake.

Committee Status:

The topic of additional potential projects to retore and preserve Phoenix Lake was presented to the Water Committee.

Adherence to Policy: N/A

Discussion:

The District has the opportunity to apply for grant funding to further restore and preserve Phoenix Lake, increasing drought resiliency by restoring storage capacity, improving water quality and enhancing the wildlife habitat within and around the lake.

Attachments:

Resolution

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
AUTHORIZING THE GRANT APPLICATION, ACCEPTANCE, AND EXECUTION
FOR THE URBAN DROUGHT 2022 TUOLUMNE UTILITIES DISTRICT PROPOSAL**

WHEREAS, Tuolumne Utilities District proposes to implement The Urban Drought 2022 Tuolumne Utilities District Proposal; and

WHEREAS, Tuolumne Utilities District has the legal authority and is authorized to enter into a funding agreement with the State of California; and

WHEREAS, Tuolumne Utilities District intends to apply for grant funding from the California Department of Water Resources for The Urban Drought 2022 Tuolumne Utilities District Proposal;

THEREFORE, BE IT RESOLVED by the Board of Directors for the Tuolumne Utilities District as follows:

1. That pursuant and subject to all of the terms and provisions of Budget Act of 2021 (Stats. 2021, ch. 240, § 80) as amended (Stats. 2022, ch. 44, § 25), the Tuolumne Utilities District General Manager, or designee is hereby authorized and directed to prepare and file an application for funding with the Department of Water Resources and take such other actions necessary or appropriate to obtain grant funding.

2. The Tuolumne Utilities District General Manager, or designee is hereby authorized to execute the funding agreement with the Department of Water Resources and any amendments thereto.

3. The Tuolumne Utilities District General Manager, or designee is hereby authorized to submit any required documents, invoices, and reports required to obtain grant funding.

PASSED AND ADOPTED by the Board of Directors of Tuolumne Utilities District on January 24, 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

ATTEST

_____
Jeff Kerns, President
Board of Directors

_____
Melissa McMullen
Executive Secretary/Board Clerk

TUOLUMNE UTILITIES DISTRICT

Agenda Item No.III.4

MEMORANDUM

Board Meeting of January 24, 2023

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 February 8, 2022 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.

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 February 8, 2022; 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 January 24, 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

ATTEST:

_____	_____
Jeff Kerns, 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*. This policy is written to incorporate industry best practices and recommendations from sources such as the Government Finance Officers Association (GFOA), California Municipal Treasurers Association (CMTA), California Debt and Investment Advisory Commission (CDIAC) and the Association of Public Treasurers (APT).

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

[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.

utilizes an external investment adviser in which case the District may rely on the adviser 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 and minimum credit requirements listed in this section apply at the time the security is purchased. An investment's term or remaining maturity shall be measured from the settlement date.

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

State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to futures and options. 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. Agencies that are not Qualified Institutional Buyers (QIB) as defined by the Securities and Exchange Commission are prohibited from purchasing Private Placement Securities. The SEC defines a QIB as having at least $100,000,000 in securities owned and invested.

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*. This policy is written to incorporate industry best practices and recommendations from sources such as the Government Finance Officers Association (GFOA), California Municipal Treasurers Association (CMTA), California Debt and Investment Advisory Commission (CDIAC) and the Association of Public Treasurers (APT).

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

[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.

utilizes an external investment adviser in which case the District may rely on the adviser 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 and minimum credit requirements listed in this section apply at the time the security is purchased. An investment's term or remaining maturity shall be measured from the settlement date.

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

State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to futures and options. 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. Agencies that are not Qualified Institutional Buyers (QIB) as defined by the Securities and Exchange Commission are prohibited from purchasing Private Placement Securities. The SEC defines a QIB as having at least $100,000,000 in securities owned and invested.

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

Agenda Item No.III.5

MEMORANDUM

Board Meeting of January 24, 2023

To: Tuolumne District Board of Directors

From: Don Perkins, General Manager

Agenda Section: Regular Business

Subject: Consider Approving a Cost Reimbursement Agreement between Tuolumne Utilities District and Chicken Ranch Rancheria

Summary

Recommendation:

Consider authorizing Board President Kerns to execute the Cost Reimbursement Agreement between Tuolumne Utilities District and Chicken Ranch Rancheria.

Issue:

The District and its predecessor agencies have endeavored to secure a long-term contract for water out of New Melones Reservoir for decades. Chicken Ranch Rancheria (CRR) is in the process of acquiring firm water supplies to meet its long-term development needs, including the construction of pump stations on Tulloch Reservoir and a water conveyance pipeline leading to tribal lands. A portion of the water needed for CRR's long-term needs will be purchased from water right holders on the Stanislaus River ("Water Purchase"). The pump and pipeline construction and Water Purchase (the "**CRR Project**") requires compliance with the National Environmental Quality Act ("**NEPA**") and the California Environmental Quality Act ("**CEQA**").

Fiscal Impact:

Addressing and incorporating CRR water desires into TUD's USBR contract will require coordination and cooperation between the Parties and will result in additional costs to TUD in the form of staff and consultant time. The parties agree that each party shall pay the costs of the Work based upon that party's pro rata share of the water to be contracted for under the CVP contract.

Previously Related Action:

Committee Status: N/A

Adherence to Policy: N/A

Discussion

TUD is negotiating a contract with the United States Bureau of Reclamation ("USBR") for a 6,000-acre feet allocation of Central Valley Project ("Project") water from the New Melones Reservoir ("Contract"). CRR desires to become a subcontractor to TUD and receive an allocation of 3,500-acre feet of Project water from TUD pursuant to a cost reimbursement agreement between TUD and CRR.

Attachments:

Cost Reimbursement Agreement

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

TUOLUMNE UTILITIES DISTRICT
COST REIMBURSEMENT AGREEMENT

This COST REIMBURSEMENT AGREEMENT is entered into as of the date last signed below by and between TUOLUMNE UTILITIES DISTRICT ("**TUD**") and CHICKEN RANCH RANCHERIA of the ME-WUK INDIANS of CALIFORNIA ("**CRR**") with reference to the following facts:

RECITALS

A. TUD is a county water district organized and existing under Water Code § 30000 et seq.

B. CRR is a federally recognized tribe of Me-Wuk people in Tuolumne County, California.

C. CRR desires to secure a water supply to serve lands owned or operated by CRR.

D. CRR is in the process of acquiring firm water supplies to meet its long-term development needs, which includes construction of pump stations on Tulloch Reservoir and a water conveyance pipeline leading to tribal lands. A portion of the water needed for CRR's long-term needs will be purchased from water right holders on the Stanislaus River ("Water Purchase"). The pump and pipeline construction and Water Purchase (the "**CRR Project**") requires compliance with the National Environmental Quality Act ("**NEPA**") and the California Environmental Quality Act ("**CEQA**"); CRR anticipates that a NEPA/CEQA document for the CRR Project will be completed prior to completion of negotiation for any Contract or Subcontract (defined below), as the Water Purchase has been approved, and the pump and pipeline have been designed and a CEPA/NEPA document scoped.

E. TUD is initiating negotiation of a contract from the United States Bureau of Reclamation ("**USBR**") for an allocation of 6,000 acre feet of Central Valley Project ("**Project**") water from New Melones Reservoir ("**Contract**").

F. CRR desires to become a subcontractor to TUD and receive an allocation of 3,500 acre feet of Project water from TUD pursuant to TUD's contract ("**Subcontract**"), which Subcontract will be in addition to other water supplies that CRR intends to acquire as part of the CRR Project.

G. USBR has informed the Parties that since TUD will be the contractor, USBR interactions will be with TUD, and CRR's interactions will be with TUD, meaning that TUD will be the primary negotiator with USBR and in the position of addressing and incorporating CRR water desires into TUD's contract.

H. Addressing and incorporating CRR water desires into TUD's USBR contract will require coordination and cooperation between the Parties and will result in additional costs to TUD in the form of staff and consultant time, including, but not limited to (collectively the "**Work**"):

(1) evaluating, reviewing, commenting on, and processing plans, designs, specifications and other documents and data from CRR related to the Subcontract;

(2) hiring a consultant or consultants to prepare the necessary documents to comply with NEPA, CEQA, the Endangered Species Act, and any other laws or regulations;

(3) evaluating, reviewing, and commenting on CEQA, NEPA or other regulatory documentation related to the Subcontract;

(4) processing and preparing this COST REIMBURSEMENT AGREEMENT;

(5) meeting with CRR, and with USBR, or consultants to specifically address issues related to the Subcontract; and

(6) periodically monitoring the progress and compliance of the Subcontract.

Although the parties desire to minimize duplication of engineering and inspection services, it will be necessary for TUD staff and TUD consultants to periodically and diligently review the Work to ensure timely progress in contract acquisition.

I. TUD desires that it be reimbursed for all expenses actually incurred by TUD for the Work according to the terms and conditions of this COST REIMBURSEMENT AGREEMENT. For clarity, the Parties acknowledge that TUD will be responsible for the cost of its own efforts, consultants and activities related to pursuing its contract with the USBR. The parties intend that the Work will include only efforts described above incurred by TUD related to CRR's Subcontract.

J. CRR is willing to reimburse TUD for all expenses actually incurred by TUD for the Work according to the terms and conditions of this COST REIMBURSEMENT AGREEMENT while minimizing the duplication of services between its efforts and the efforts of TUD. TUD is willing to reimburse CRR for all expenses occurred by CRR if TUD unilaterally determines not to pursue a contract with the USBR, and does not allow CRR to continue to obtain a Subcontract on its own with USBR through TUD.

K. The parties have reached an amicable accommodation and understanding concerning these matters, and desire to reduce their understanding to writing, as herein set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises herein stated, the parties hereto agree as follows:

1. **Reimbursement.** CRR agrees to reimburse TUD for the Work ("**REIMBURSABLE EXPENSES**") in the following manner: The parties agree that each party shall pay the costs of the Work based upon that party's pro rata share of the water to be contracted for under the CVP contract. By way of illustration, TUD is seeking a USBR contract for 6,000 acre feet, and CRR is seeking 3,500 acre feet from TUD's 6,000 acre foot contract. Consequently, CRR's proportion of costs for the Work shall be 3,500 ÷ 6,000 = 0.58. Such costs shall be determined by TUD employees keeping an accounting dedicated to the costs associated with the USBR contract acquisition and assigning fees for TUD staff time and consultant time at the rate shown on the attached "SCHEDULE OF HOURLY BILLING RATES." Fees for TUD consultant time shall be

billed at the actual consultant rate. TUD shall have full authority to review, select, negotiate, and direct its own consultants without approval from CRR.

2. **Scope.** The parties agree that REIMBURSABLE EXPENSES must fall within the scope of this COST REIMBURSEMENT AGREEMENT. Accordingly, the parties agree that the scope of this COST REIMBURSEMENT AGREEMENT is limited to those activities described in Recital "H" above and which relate to the Work.

3. **Method of Reimbursement**. TUD will issue an invoice to CRR on a monthly basis specifically enumerating REIMBURSABLE EXPENSE activities in sufficient detail so as to enable a reasonable person to identify who performed the service, what service was performed, what time was devoted to the activity, and the cost thereof. CRR shall make payment of each invoice within thirty (30) days. The failure to pay within sixty (60) days shall be a default and shall entitle TUD, after written notice and opportunity to cure, to terminate this COST REIMBURSEMENT AGREEMENT and drop pursuit of the CRR Subcontract.

4. **Information.** CRR shall promptly provide, at no expense to TUD, all documents, copies, data and other information reasonably required, convenient and/or requested by TUD or its engineer, attorney, or consultants to pursue the Subcontract.

5. **Performance.** Time is of the essence in the performance of this COST REIMBURSEMENT AGREEMENT and every covenant and condition hereto.

6. **Waiver**. CRR hereby waives, as to TUD's directors, staff, engineer, attorney, consultants, employees or agents, any and all claims, damages, liability or losses arising from or related to review or approval of the plans, designs, specifications and other documents and data related to WORK or any approval relating to WORK by TUD's directors, staff, engineer, attorney, consultants, employees or agents. This waiver shall be binding on any and all successors to CRR.

7. **Attorney's Fees**. In the event of controversy, claim or dispute relating to this COST REIMBURSEMENT AGREEMENT or breach thereof, the prevailing party in any judicial or arbitration proceeding shall be entitled to recover reasonable attorney fees and costs from the losing party.

8. **Successors**. This COST REIMBURSEMENT AGREEMENT shall not be transferred or assigned without prior written permission from TUD.

9. **No Guarantee**. By entering into this contract with CRR, TUD does not and cannot guarantee that it will obtain a USBR contract, that CRR will be a subcontractor to TUD, or whether any of the terms and conditions imposed in any contract from USBR will be acceptable to TUD or CRR. CRR assumes all risk with respect to the USBR contract and any terms or conditions beyond the reasonable control of TUD. If TUD unilaterally determines not to pursue a contract with the USBR, and does not allow CRR to continue to obtain a Subcontract on its own with USBR through TUD, reimbursement to the CRR will be applied as outlined under "Termination" as outlined below.

10. **Termination.**

A. Termination by TUD. This COST REIMBURSEMENT AGREEMENT may be terminated by TUD if, in TUD's judgment, it determines in its sole judgment to not pursue a USBR contract. For example, the contract may be so burdened with conditions and limitations that it will serve no significant TUD interest. TUD will discuss possible termination with CRR before making a decision to terminate this agreement, and will use its best efforts to pursue a Subcontract solely for the benefit of CRR, in which case this Agreement shall continue in effect, with CRR paying 100% of TUD's review costs. However, if TUD unilaterally determines not to pursue any contract with USBR, TUD will give CRR ten (10) days written notice and fully reimburse the CRR for their portion of the Work and provide the CRR with any and all data related to their portion of the Work. If not otherwise terminated by TUD, this COST REIMBURSEMENT AGREEMENT will terminate upon the conclusion of all the WORK.

B. This COST REIMBURSEMENT AGREEMENT may be terminated by CRR upon ten (10) days written notice to TUD, and upon full payment to TUD of Work performed, in which event TUD shall have no further obligation with respect to its review of the WORK without entering into mutually acceptable arrangements with CRR.

11. **Mailing Addresses**. Any notice or communication required or permitted hereunder shall be in writing and shall be delivered personally, delivered by nationally recognized overnight courier service or sent by certified or registered mail, postage prepaid, or (if an email address is provided) sent by electronic transmission (subject to confirmation of such electronic transmission). Any such notice or communication shall be deemed to have been given (i) when delivered, if personally delivered, (ii) with the day received from a nationally recognized overnight courier service, if sent by nationally recognized overnight courier service, (iii) the day of sending, if sent by email before 5:00 p.m. (PT) on any Business Day or the next succeeding Business Day if sent by email after 5:00 p.m. (PT) on any Business Day or on any day other than a Business Day or (iv) five (5) Business Days after the date of mailing, if mailed by certified or registered mail, postage prepaid, in each case, to the following address or email address, or to such other address or addresses or email address or addresses as such party may subsequently designate to the other party by notice given hereunder:

To TUD as follows:

Steve Sheffield, Finance Manager
Tuolumne Utilities District
18885 Nugget Blvd
Sonora, CA 95370
Email: ssheffield@tudwater.com
Phone: 209.532.5536

To CRR as follows:

Stephanie Suess
Community & Resources Development Director
Chicken Ranch Rancheria of Me-Wuk Indians of California

P.O.Box 1159
9195 Tribal Way
Jamestown, CA 95327
Email: ssuess@crtribal.com
Phone: 209.984.9066

"**Business Day**" means any day other than a Saturday, Sunday, or any other day on which banking institutions in the State of California are authorized by law or executive action to close.

12. **Indemnity.** The parties shall each defend their own interests defending CEQA and NEPA litigation challenging the Contract. Any attorney fees and/or costs awarded in CEQA litigation to a person or entity not a party to this Agreement shall be paid by the parties on a pro-rata basis.

13. **Cost and Indemnity for CRR Project.** The parties acknowledge that the intent of this Agreement is to equitably share costs for the Work, and that the cost share and indemnity obligations set forth in Sections 1 and 12 apply solely to the Work, and not for any effort related to the CRR Project. Should additional work be needed as a direct result of, or litigation brought directly involving or challenging the CRR Project, then CRR shall pay 100% of any costs involved in such additional effort if such additional work is authorized by CRR, and agrees to defend, indemnify, and hold TUD and its directors, officers, employees, consultants and agents harmless from any and all judgments, claims, liabilities, losses, fines, costs, damages and expenses whatsoever (including attorneys' fee and expenses) in any lawsuit or other action with any court or administrative agency, which arises out of the CRR Project.

This COST REIMBURSEMENT AGREEMENT is effective as of the date last signed below.

TUOLUMNE UTILITIES DISTRICT (TUD)	CHICKEN RANCH RANCHERIA (CRR)
By: _____	By: _____
Jeff Kerns, President	Lloyd Mathiesen, Chairman
Date:_____	Date:_____

SCHEDULE OF HOURLY BILLING RATES
Tuolumne Utilities District
United States Bureau of Reclamation, Long Term Water Services Contract for the CHICKEN RANCH RANCHERIA of the ME-WUK INDIANS of CALIFORNIA
FY 2021 Hourly Billing Rates

Personnel Classification	**Hourly Billing Rate**
General Manager	$ 172.33
Finance Director	$ 140.25
Operations Manager	$ 117.99
District Engineer	$ 140.25
Senior Engineer	$ 104.27
Associate Engineer II	$ 98.98
Associate Engineer I	$ 88.04
Senior Land Surveyor	$ 91.07
Engineering Tech Inspections	$ 72.00
Engineering Services Technician	$ 70.29
Engineering Technician	$ 51.05
Water Treatment Superintendent	$ 87.76
Water Master	$ 87.76
Public Relations Admin. Assistant	$ 72.00
Construction Foreman	$ 68.55
Consultants	Cost

TUOLUMNE UTILITIES DISTRICT

Agenda Item No.III.6

MEMORANDUM

Board Meeting of January 24, 2023

To:	Tuolumne Utilities District Board of Directors
From:	Don Perkins, General Manager
	Melissa McMullen, Executive Secretary/Board Clerk
Agenda Section:	Regular Business
Subject:	Discussion Regarding Assembly Bill 2449 – Enhanced Teleconferencing and Recent Developments Relating to Assembly Bill 361

Summary

Recommendation:

Informational only.

Issue:

Newly adopted AB 2449, effective January 1, 2023, enhances some of the Ralph M. Brown Act (Brown Act) requirements relating to future teleconferencing by members of legislative bodies. Although AB 361 remains in effect through January 1, 2024, Governor Gavin Newsom recently announced that the declared statewide State of Emergency related to COVID-19 will end on February 28, 2023. This shift is likely to mean that, absent an additional declared State of Emergency affecting a local agency, any local agencies conducting meetings under the provisions of AB 361 will — if they have not already — soon need to revert to holding fully in-person public meetings or meetings using the newly adopted AB 2449 or traditional Brown Act teleconference rules.

Fiscal Impact: N/A

Previously Related Action:

Since October 12, 2021, the Board has adopted a resolution every 30 days to continue remote meetings pursuant to AB 361 based on the Cal OSHA regulations recommending social distancing to prevent the spread of COVID-19 to continue remote meetings.

Committee Status: N/A

Adherence to Policy: N/A

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

Discussion

AB 2449 provides for relaxed teleconferencing rules when a member of the legislative body has to attend remotely for an emergency or other reasons supported by "just cause". Under these new rules, a legislative body may hold a hybrid (partial teleconference, partial in-person) meeting without having to comply with the standard Brown Act teleconference rules under certain circumstances. Those circumstances are:

- One or more members of the legislative body (but less than a quorum) have notified the body at the earliest opportunity of their need to participate remotely for just cause (e.g., childcare or family caregiving need, contagious illness, physical or mental disability need, travel while on official public business); or
- One or more members of the legislative body (but less than a quorum) experience an emergency circumstance (e.g., a physical or family medical emergency that prevents in-person attendance). The member must provide a general description of the circumstances relating to their need to appear remotely; however, they are not required to disclose a medical diagnosis, disability or other confidential medical information. The legislative body must then take action on each member's request. If the request does not allow sufficient time to be placed on the posted agenda for the meeting for which the request is made, the legislative body may take action on it at the beginning of the meeting.
- A member of the legislative body cannot participate remotely due to "just cause" or "emergency circumstances" for more than 3 consecutive months or 20% of the regular meetings within a calendar year (or more than 2 meetings if the agency meets fewer than 10 times per year) Thereafter, standard rules must be used.

Attachments:

AB 2449 Summary

Link to Assembly Bill No. 2449:

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2449

Summary

During its most recent session, the California State Legislature adopted, and the Governor signed three significant bills amending the Ralph M. Brown Act (Brown Act). These bills — which take effect on January 1, 2023 — relate to future teleconferencing by members of legislative bodies, posting agenda-related materials, and the removal of members of the public who are disrupting meetings.

Assembly Bill 2449 – Enhanced Teleconferencing and Recent Developments Relating to Assembly Bill 361 of 2021

Subject to a number of requirements, AB 2449 provides public agencies with the additional ability for legislative body members to participate remotely in meetings without having to give the public access to private locations. In 2021, in response to the COVID-19 pandemic, the Legislature adopted AB 361 to ease certain requirements for holding teleconference/virtual meetings under the Brown Act during Governor-declared emergencies. Before AB 361, the Brown Act's teleconferencing rules required public agencies to identify each teleconference location on the agenda, post the agenda at those locations, and make each location open to the public, none of which was feasible during a pandemic.

Although AB 361 remains in effect through January 1, 2024, Governor Gavin Newsom recently announced that the declared statewide State of Emergency related to COVID-19 will end on February 28, 2023. This shift is likely to mean that, absent an additional declared State of Emergency affecting a local agency, any local agencies conducting meetings under the provisions of AB 361 will — if they have not already — soon need to revert to holding fully in-person public meetings *or* meetings using the newly adopted AB 2449 or traditional Brown Act teleconference rules.

AB 2449 provides for relaxed teleconferencing rules when a member of the legislative body has to attend remotely for an emergency or other reasons supported by "just cause". Under these new rules, a legislative body may hold a hybrid (partial teleconference, partial in-person) meeting without having to comply with the standard Brown Act teleconference rules under certain circumstances. Those circumstances are:

- One or more members of the legislative body (but less than a quorum) have notified the body at the earliest opportunity of their need to participate remotely for just cause (e.g., childcare or family caregiving need, contagious illness, physical or mental disability need, travel while on official public business); or
- One or more members of the legislative body (but less than a quorum) experience an emergency circumstance (e.g., a physical or family medical emergency that prevents in-person attendance). The member must provide a general description of the circumstances relating to their need to appear remotely; however, they are not required to disclose a medical diagnosis, disability or other confidential medical information. The legislative body must then take action on each member's request. If the request does not allow sufficient time to be placed on the posted agenda for the meeting for which the request is made, the legislative body may take action on it at the beginning of the meeting.

Members of legislative bodies who wish to use one of these provisions should be sure to contact the agency's clerk/secretary, general manager, and/or legal counsel as soon as possible before seeking to attend a meeting remotely under AB 2449. Not only does the individual member have to meet the requirements to attend remotely, but there are restrictions on the number of times a member may attend remotely in a year under the just cause provision and in total under AB 2449. In addition, a quorum of the body must still meet in-person at a single location within the district boundaries, and the meeting format must meet the following remote access rules:

- Use either a two-way audio-visual system or a two-way phone service with live webcasting.
- Members participating remotely must disclose at the meeting, before any action is taken, whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any such individuals.
- Identify a call-in or internet-based access option for the public on the agenda, along with the in-person meeting location.
- Ensure that, if a disruption to the online meeting occurs, the body takes no further action on agenda items until public access is restored.
- Avoid requiring public comments to be submitted in advance and provide a real-time option for the public to address the body at the meeting.
- Take all votes by roll call.

As referenced earlier, the provisions of AB 2449 cannot be used as the means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for a period of more than three consecutive months or 20 percent of the regular meetings for the local agency within a calendar year, or more than two meetings if the legislative body regularly meets fewer than 10 times per calendar year.

In lieu of AB 2449 teleconferencing, local agencies may always rely on the traditional teleconferencing rules that applied pre-COVID and remain an available option: All votes must be by roll call, the meeting must be conducted to protect the rights of the public appearing before the body or wishing to comment, all members of the public must be able to access the meeting and provide public comment, teleconference locations must be identified in the agenda, copies of the agenda must be posted at all teleconference locations, and teleconference locations must be open to the public. Finally, under traditional Brown Act teleconferencing requirements, at least a quorum of the members of the legislative body who are participating remotely must do so from locations within the agency's jurisdiction.

AB 2449 will present a host of administrative questions for special districts as board members seek to avail themselves of this new option for remote meeting participation. It will be important for special districts to get ahead of this issue and establish a board policy that institutes a workable process for administering requests and ensuring the district remains in compliance with the law. Violations of the Brown Act can leave the agency open to costly legal challenges that could void board actions conducted during a failure to comply.

TUOLUMNE UTILITIES DISTRICT

Agenda Item No.III.7

MEMORANDUM

Board Meeting of January 24, 2023

To:	Tuolumne Utilities District Board of Directors
From:	Don Perkins, General Manager
	Melissa McMullen, Executive Secretary/Board Clerk
Agenda Section:	Regular Business
Subject:	Discussion and Approval of Timeline for the Selection of a Candidate to Fill the Vacancy on the Board of Directors

Summary

At the January 10, 2023 Board meeting, Director Lisa Murphy resigned from her position as Board of Director effective January 10, 2023. California Government Code Section 1780 (attached) governs the process for filling a vacant position on the Board. The same qualification requirements exist for appointed officials as do elected officials.

Recommendation:

The Board to direct staff to post the Announcement of Vacancy and approve timeline for the submission of applications, applicant interviews and consideration of candidate appointment.

Issue:

California Government Code 1780 (d)(1) states: “The remaining members of the district board shall make the appointment pursuant to this subdivision within 60 days after either the date on which the district board is notified of the vacancy or the effective date of the vacancy, whichever is later.”

Fiscal Impact: N/A

Previously Related Action:

In previous years when the Board experienced a vacancy due to a Board member the Board has opted to fill the vacancy by appointment instead of selecting other available options such as calling for a Special Election, or waiting the 60 days and allowing the County Board of Supervisors to make the appointment.

Committee Status: N/A

Adherence to Policy: N/A

Discussion

Proposed timeline:

- Staff to post Announcement of Vacancy three times in the Union Democrat, at three public locations and on the TUD website at least 15 days prior to appointment
- Tuesday, February 14, 2023: Filing deadline for candidate applications
- Tuesday, February 28, 2023: Board conducts applicant interviews. Each qualifying candidate will be invited to present their background and qualifications.
- Tuesday, March 14, 2023: Candidate appointment

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

Attachments:

- California Government Code 1780
- Announcement of Vacancy
- Statement of Interest

1780. (a) Notwithstanding any other provision of law, a vacancy in any elective office on the governing board of a special district, other than those specified in Section 1781, shall be filled pursuant to this section.

(b) The district shall notify the county elections official of the vacancy no later than 15 days after either the date on which the district board is notified of the vacancy or the effective date of the vacancy, whichever is later.

(c) The remaining members of the district board may fill the vacancy either by appointment pursuant to subdivision (d) or by calling an election pursuant to subdivision (e).

(d) (1) The remaining members of the district board shall make the appointment pursuant to this subdivision within 60 days after either the date on which the district board is notified of the vacancy or the effective date of the vacancy, whichever is later. The district shall post a notice of the vacancy in three or more conspicuous places in the district at least 15 days before the district board makes the appointment. The district shall notify the county elections official of the appointment no later than 15 days after the appointment.

(2) If the vacancy occurs in the first half of a term of office and at least 130 days prior to the next general district election, the person appointed to fill the vacancy shall hold office until the next general district election that is scheduled 130 or more days after the date the district board is notified of the vacancy, and thereafter until the person who is elected at that election to fill the vacancy has been qualified. The person elected to fill the vacancy shall hold office for the unexpired balance of the term of office.

(3) If the vacancy occurs in the first half of a term of office, but less than 130 days prior to the next general district election, or if the vacancy occurs in the second half of a term of office, the person appointed to fill the vacancy shall fill the balance of the unexpired term of office.

(e) (1) In lieu of making an appointment the remaining members of the board may within 60 days of the date the district board is notified of the vacancy or the effective date of the vacancy, whichever is later, call an election to fill the vacancy.

(2) The election called pursuant to this subdivision shall be held on the next established election date provided in Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is 130 or more days after the date the district board calls the election.

(f) (1) If the vacancy is not filled by the district board by appointment, or if the district board has not called for an election within 60 days of the date the district board is notified of the vacancy or the effective date of the vacancy, whichever is later, then the city council of the city in which the district is wholly located, or if the district is not wholly located within a city, the board of supervisors of the county representing the larger portion of the district area in which the election to fill the vacancy will be held, may appoint a person to fill the vacancy within 90 days of the date the district board is notified of the vacancy or the effective date of the vacancy, whichever is later, or the city council or board of supervisors may order the district to call an election to fill the vacancy.

(2) The election called pursuant to this subdivision shall be held on the next established election date provided in Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code

that is 130 or more days after the date the city council or board of supervisors calls the election.

(g) (1) If within 90 days of the date the district board is notified of the vacancy or the effective date of the vacancy, whichever is later, the remaining members of the district board or the appropriate board of supervisors or city council have not filled the vacancy and no election has been called for, then the district board shall call an election to fill the vacancy.

(2) The election called pursuant to this subdivision shall be held on the next established election date provided in Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is 130 or more days after the date the district board calls the election.

(h) (1) Notwithstanding any other provision of this section, if the number of remaining members of the district board falls below a quorum, then at the request of the district secretary or a remaining member of the district board, the appropriate board of supervisors or the city council shall promptly appoint a person to fill the vacancy, or may call an election to fill the vacancy.

(2) The board of supervisors or the city council shall only fill enough vacancies by appointment or by election to provide the district board with a quorum.

(3) If the vacancy occurs in the first half of a term of office and at least 130 days prior to the next general district election, the person appointed to fill the vacancy shall hold the office until the next general district election that is scheduled 130 or more days after the date the district board is notified of the vacancy, and thereafter until the person who is elected at that election to fill the vacancy has been qualified. The person elected to fill the vacancy shall hold office for the unexpired balance of the term of office.

(4) If the vacancy occurs in the first half of a term of office, but less than 130 days prior to the next general district election, or if the vacancy occurs in the second half of a term of office, the person appointed to fill the vacancy shall fill the balance of the unexpired term of office.

(5) The election called pursuant to this subdivision shall be held on the next established election date provided in Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is held 130 or more days after the date the city council or board of supervisors calls the election.

ANNOUNCEMENT OF VACANCY
ON THE
TUOLUMNE UTILITIES DISTRICT
BOARD OF DIRECTORS

A vacancy on the Board of Directors of the Tuolumne Utilities District (TUD or District) has been created by the resignation of Director Murphy, effective January 10, 2023. The TUD Board intends to appoint a qualified candidate to this position at its Regular Board Meeting on March 14, 2023. The term of office of the appointment will expire on December 6, 2024.

Anyone interested in being considered for the appointment must complete the Statement of Interest form available at the District office, 18885 Nugget Blvd, Sonora or on the District's website at www.tudwater.com.

The candidate must be a registered voter and must reside within District 2 or District 5.
You may view District boundaries at the following link:
https://tuolumne.maps.arcgis.com/apps/webappviewer/index.html?id=747bbb389a0346fa9e05f3debe84fc88

In addition, to be favorably considered for this appointment candidates must submit a statement detailing the qualifications that make them an ideal candidate for the appointment.

Submit the completed Statement of Interest form and Statement of Qualifications, by Tuesday, February 14, 2023 at 12:00 p.m. to:

Tuolumne Utilities District
Board of Directors
Attn: Melissa McMullen
18885 Nugget Blvd.
Sonora, CA 95370

For additional information, please contact Melissa McMullen at the District office, 532-5536 ex. 510

STATEMENT OF INTEREST
TO FILL VACANCY ON THE
BOARD OF DIRECTORS
OF
TUOLUMNE UTILITIES DISTRICT

Full Name (please type or print)

Mailing Address

Physical Address (if different from above)

Email Address

Telephone Number

Reside within District: _____ 2 or _____ 5

Registered Voter: _____ Yes _____ No

I hereby declare that the above is true and accurate, and my interest in filling the vacancy on the Board of Directors of the Tuolumne Utilities District. I understand that this vacancy will be filled by appointment by the Board of Directors and that the term of office will expire on December 6, 2024.

In addition to this form, I must submit a statement summarizing my background and qualifications and indicating my interests and anticipated contributions if selected for this position.

_____
Date

_____
Signature

Filing deadline: Tuesday, February 14, 2023 @ 12:00 p.m.