



**BOARD OF DIRECTORS
EAST BAY MUNICIPAL UTILITY DISTRICT**

375 - 11th Street, Oakland, CA 94607

Office of the Secretary: (510) 287-0440

Notice of Time Change

**FINANCE/ADMINISTRATION
COMMITTEE**

Tuesday, May 28, 2024

9:00 a.m.

Boardroom

375 11th Street

Oakland, CA 94607

Notice is hereby given that the Tuesday, May 28, 2024 Finance/Administration Committee meeting of the Board of Directors has been rescheduled from 10:00 a.m. to 9:00 a.m. The meeting will be held in the Administration Building Boardroom at 375 11th Street, Oakland, California.

Dated: May 23, 2024



Rischa S. Cole

Secretary of the District

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**BOARD OF DIRECTORS
EAST BAY MUNICIPAL UTILITY DISTRICT**

375 – 11th Street, Oakland, CA 94607

Office of the Secretary: (510) 287-0440

**AGENDA
Finance/Administration Committee
Tuesday, May 28, 2024
9:00 a.m.
Boardroom
375 11th Street
Oakland, CA 94607**

Committee Members Andy Katz {Chair}, April Chan, and William B. Patterson

***** Please see appendix for public participation instructions*****

ROLL CALL:

PUBLIC COMMENT: The Board of Directors is limited by State law to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to items that are not listed on the agenda.

DETERMINATION AND DISCUSSION:

1. Monthly Investment Transactions Report (Skoda)
2. Revisions to Annual Investment Policy (Skoda)

ADJOURNMENT:

Disability Notice

If you require a disability-related modification or accommodation to participate in an EBMUD public meeting, please call the Office of the Secretary (510) 287-0404. We will make reasonable arrangements to ensure accessibility. Some special equipment arrangements may require 48 hours advance notice.

Document Availability

Materials related to an item on this Agenda that have been submitted to the EBMUD Board of Directors within 72 hours prior to this meeting are available for public inspection in EBMUD's Office of the Secretary at 375 11th Street, Oakland, California, during normal business hours, and can be viewed on our website at www.ebmud.com.

W:\Board of Directors - Meeting Related Docs\Agendas 2024\2024 Finance-Adm Committee\05282024 finance-admin agenda.docx



Finance/Administration Committee Meeting

*EBMUD Board committee meetings will be conducted in person and accessible via Zoom.
These meetings are live streamed on the District's website.*

Online*

<https://ebmud.zoom.us/j/92433162059?pwd=emM4YjRrQTJtK3M0NnAxTDRoVzh5Zz09>

Webinar ID: 924 3316 2059

Passcode: 282322

By Phone*

Telephone: 1 669 900 6833

Webinar ID: 924 3316 2059

Passcode: 282322

International numbers available: <https://ebmud.zoom.us/u/kdjdx0Kd06>

*To familiarize yourself with Zoom, please visit <https://support.zoom.us/hc/en-us/articles/201362193-Joining-a-Meeting>

Providing public comment - *The EBMUD Board of Directors is limited by State law to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to items that are not listed on the agenda.*

- Each speaker is allotted 3 minutes to speak; the Board President has the discretion to amend this time based on the number of speakers
- The Secretary will track time and inform each speaker when the allotted time has concluded
- Comments on **non-agenda items** will be heard at the beginning of the meeting
- Comments on **agenda items** will be heard when the item is up for consideration
- The Secretary will call each speaker in the order received

In person

- Fill out and submit a blue speaker card which is available in the meeting room

Via Zoom

- Use the raise hand feature in Zoom to indicate you wish to make a public comment
<https://support.zoom.us/hc/en-us/articles/205566129-Raising-your-hand-in-a-webinar>
 - If you participate by phone, press *9 to raise your hand
- When prompted by the Secretary, please state your name, affiliation if applicable, and topic

Submitting written comments or materials

- Email written comments or other materials for the Board of Directors to SecOffice@ebmud.com
- Please indicate the meeting date and agenda item number or non-agenda item in the subject of the email. Contact information is optional.
- **Please email by 4 p.m. the day prior to the scheduled regular meeting;** written comments and other materials submitted to the Board of Directors will be filed in the record.

To view the livestream of Board meetings, please visit:

<https://www.ebmud.com/about-us/board-directors/board-meetings/>

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: May 23, 2024

MEMO TO: Board of Directors

THROUGH: Clifford C. Chan, General Manager *CCC*

FROM: Sophia D. Skoda, Director of Finance *SDS*

SUBJECT: Monthly Investment Transactions Report

SUMMARY

Staff recommends the Finance/Administration Committee approve the April 2024 Monthly Investments Transactions Report. In accordance with Policy 4.07 – Investments, staff prepares a monthly transactions report for the Finance/Administration Committee to review and for the Board to consider each month. The Committee will review the April 2024 report at the May 28, 2024 Finance/Administration Committee meeting.

DISCUSSION

Pursuant to Policy 4.07, staff prepares a monthly report of investment transactions (buys, sales, deposits, withdrawals) as well as transactions that occur as a feature of the securities held (interest, calls, maturities). Information on portfolio performance, balances, and other factors is presented in the quarterly investment report.

In April 2024, the portfolio increased from \$774.8 million to \$820.9 million. Net transactions increased the total by \$45.4 million. Interest received added approximately \$652,000 to the portfolio. Deposits into short-term liquidity funds totaled \$146.9 million, and \$13.9 million in securities was withdrawn. The District did not purchase any securities, and no securities matured. No securities were called or sold. Net transactions at the District's commercial bank resulted in a decrease of \$87.6 million.

NEXT STEPS

This item will be brought to the Board for consideration at its May 28, 2024 meeting.

CCC:SDS:rlh

Attachment: April 2024 Monthly Investment Transactions Report


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Monthly Investment Transactions Report
April 2024

This report is presented to the Board pursuant to Government Code Section 53607 and in accordance with the District's Investment Policy 4.07.

The attached report details transactions in the District's portfolio as follows:

- **Monthly Investment Transactions Summary** **Page 1**
- **Monthly Investment Activity** **Page 2**
 - Buys Page 3
 - Deposits Page 4
 - Matured Page 5
 - Calls Page 6
 - Sales Page 7
 - Withdrawals Page 8
- **Monthly Interest Activity** **Page 9**
 - Interest Received (Transferred to Wells Fargo) Page 10
 - Interest Received (Reinvested) Page 11



Sophia Skoda (May 7, 2024 15:07 PDT)
Approved by: Sophia D. Skoda, Finance Director

May 7, 2024
Date

SDS:KM:ac



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Transactions Summary
April 2024

Portfolio	Beginning Balance*	Monthly Net Transaction Activity	Monthly Interest Activity	Ending Balance
001 - Water System Consolidated	526,845,963.11	104,000,000.00	365,624.09	631,211,587.20
007 - Wastewater Consolidated	100,213,732.82	26,000,000.00	92,570.67	126,306,303.49
049 - Ferc Partnership	2,090,266.00	-	22,440.20	2,112,706.20
009 - BACWA	2,364,721.97	-	25,387.40	2,390,109.37
015 - DERWA	1,045,136.82	-	11,221.11	1,056,357.93
002 - FRWA	1,045,136.82	-	11,221.11	1,056,357.93
014 - IICP	157,294.14	-	1,689.00	158,983.14
010 - UMRWA	66,888.59	-	718.68	67,607.27
003 - Employees Retirement	5,602,077.14	3,022,000.00	121,240.84	8,745,317.98
099 - Wells Fargo**	135,368,472.35	(87,595,149.88)	-	47,773,322.47
Total	774,799,689.76	45,426,850.12	652,113.10	820,878,652.98

* Portfolio balance presented at face value.

**Wells Fargo's month-end available balance per bank statement. Gross amount; not allocated by fund and not included in balances above.
 A portion of the balance in Wells Fargo is swept to a money market fund to increase investment earnings.

Aaron Cinco
 Prepared by: Aaron Cinco, Accounting Technician

Kevin Ma
 Reviewed by: Kevin Ma, Accounting Supervisor

David Glasser
 Approved by: David Glasser, Controller

5/6/24
 Date

May 6, 2024
 Date

May 6, 2024
 Date



EAST BAY MUNICIPAL UTILITY DISTRICT
 Monthly Investment Activity
 April 2024

Portfolio	Buys	Deposits	Matured	Calls	Sales	Withdrawals	Non-Investment Transactions*	Net Transaction Activity
001 - Water System Consolidated	-	104,000,000.00	-	-	-	-	-	104,000,000.00
007 - Wastewater Consolidated	-	26,000,000.00	-	-	-	-	-	26,000,000.00
049 - Ferc Partnership	-	-	-	-	-	-	-	-
009 - BACWA	-	-	-	-	-	-	-	-
015 - DERWA	-	-	-	-	-	-	-	-
002 - FRWA	-	-	-	-	-	-	-	-
014 - IICP	-	-	-	-	-	-	-	-
010 - UMRWA	-	-	-	-	-	-	-	-
003 - Employees Retirement	-	16,912,000.00	-	-	-	(13,890,000.00)	-	3,022,000.00
065 - Water S2008A DSRF	-	-	-	-	-	-	-	-
068 - Water 2010A DSRF	-	-	-	-	-	-	-	-
Investment Activity Total	-	146,912,000.00	-	-	-	(13,890,000.00)	-	133,022,000.00
099 - Wells Fargo	-	(146,912,000.00)	-	-	-	13,890,000.00	45,426,850.12	(87,595,149.88)
Total	-	-	-	-	-	-	45,426,850.12	45,426,850.12

*Non-investment transactions are net receipts and expenditures in Wells Fargo resulting from activities other than investment and interest transactions detailed in this report.

Steven Goodman-Leibof

Reviewed by: Steven Goodman-Leibof, Principal Mgmt Analyst

May 6, 2024

Date

Robert L. Hannay

Approved by: Robert L. Hannay, Treasury Manager

May 7, 2024

Date



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
April 2024

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
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Buys

No Transactions this Period

0.00 0.00 0.00 0.00



EAST BAY MUNICIPAL UTILITY DISTRICT
 Monthly Investment Activity
 April 2024

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Deposits										
001 - Water System Consolidated	Money Market Mutual Funds	Federated MM	GOFXX	4/1/2024	4/1/2024	N/A	16,000,000.00	16,000,000.00	0.00	16,000,000.00
001 - Water System Consolidated	Money Market Mutual Funds	Morgan Stanley MM	MVRXX	4/1/2024	4/1/2024	N/A	16,000,000.00	16,000,000.00	0.00	16,000,000.00
001 - Water System Consolidated	Money Market Mutual Funds	State Street MM	GVMXX	4/1/2024	4/1/2024	N/A	16,000,000.00	16,000,000.00	0.00	16,000,000.00
001 - Water System Consolidated	LAIF	LAIF LGIP	LGIP1001	4/2/2024	4/2/2024	N/A	16,000,000.00	16,000,000.00	0.00	16,000,000.00
001 - Water System Consolidated	Local Government Investment Pool	CAMP LGIP	CAMP6035	4/22/2024	4/22/2024	N/A	8,000,000.00	8,000,000.00	0.00	8,000,000.00
001 - Water System Consolidated	Money Market Mutual Funds	Federated MM	GOFXX	4/22/2024	4/22/2024	N/A	8,000,000.00	8,000,000.00	0.00	8,000,000.00
001 - Water System Consolidated	LAIF	LAIF LGIP	LGIP1001	4/22/2024	4/22/2024	N/A	8,000,000.00	8,000,000.00	0.00	8,000,000.00
001 - Water System Consolidated	Money Market Mutual Funds	Morgan Stanley MM	MVRXX	4/22/2024	4/22/2024	N/A	8,000,000.00	8,000,000.00	0.00	8,000,000.00
001 - Water System Consolidated	Money Market Mutual Funds	State Street MM	GVMXX	4/22/2024	4/22/2024	N/A	8,000,000.00	8,000,000.00	0.00	8,000,000.00
					Total		104,000,000.00			
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	4/12/2024	4/12/2024	N/A	5,335,000.00	5,335,000.00	0.00	5,335,000.00
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	4/25/2024	4/25/2024	N/A	6,243,000.00	6,243,000.00	0.00	6,243,000.00
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	4/26/2024	4/26/2024	N/A	5,334,000.00	5,334,000.00	0.00	5,334,000.00
					Total		16,912,000.00			
007 - Wastewater Consolidated	Money Market Mutual Funds	Federated MM	GOFXX	4/1/2024	4/1/2024	N/A	4,000,000.00	4,000,000.00	0.00	4,000,000.00
007 - Wastewater Consolidated	Money Market Mutual Funds	Morgan Stanley MM	MVRXX	4/1/2024	4/1/2024	N/A	4,000,000.00	4,000,000.00	0.00	4,000,000.00
007 - Wastewater Consolidated	Money Market Mutual Funds	State Street MM	GVMXX	4/1/2024	4/1/2024	N/A	4,000,000.00	4,000,000.00	0.00	4,000,000.00
007 - Wastewater Consolidated	LAIF	LAIF LGIP	LGIP1001	4/2/2024	4/2/2024	N/A	4,000,000.00	4,000,000.00	0.00	4,000,000.00
007 - Wastewater Consolidated	Local Government Investment Pool	CAMP LGIP	CAMP6035	4/22/2024	4/22/2024	N/A	2,000,000.00	2,000,000.00	0.00	2,000,000.00
007 - Wastewater Consolidated	Money Market Mutual Funds	Federated MM	GOFXX	4/22/2024	4/22/2024	N/A	2,000,000.00	2,000,000.00	0.00	2,000,000.00
007 - Wastewater Consolidated	LAIF	LAIF LGIP	LGIP1001	4/22/2024	4/22/2024	N/A	2,000,000.00	2,000,000.00	0.00	2,000,000.00
007 - Wastewater Consolidated	Money Market Mutual Funds	Morgan Stanley MM	MVRXX	4/22/2024	4/22/2024	N/A	2,000,000.00	2,000,000.00	0.00	2,000,000.00
007 - Wastewater Consolidated	Money Market Mutual Funds	State Street MM	GVMXX	4/22/2024	4/22/2024	N/A	2,000,000.00	2,000,000.00	0.00	2,000,000.00
					Total		26,000,000.00			
							146,912,000.00	146,912,000.00	0.00	146,912,000.00



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
April 2024

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
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Matured

No Transactions this Period



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
April 2024

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Calls										

No Transactions this Period

0.00 0.00 0.00 0.00



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
April 2024

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
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Sales

No Transactions this Period

0.00 0.00 0.00 0.00



EAST BAY MUNICIPAL UTILITY DISTRICT
 Monthly Investment Activity
 April 2024

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Withdrawals										
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	4/30/2024	4/30/2024	N/A	13,890,000.00	13,890,000.00	-	13,890,000.00
					Total		13,890,000.00			
099 - Wells Fargo	Cash	WELLS FARGO Cash	CASH2017	4/30/2024	4/30/2024	N/A	87,595,149.88	87,595,149.88	-	87,595,149.88
					Total		87,595,149.88			
							101,485,149.88	101,485,149.88	-	101,485,149.88



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Interest Activity
April 2024

Portfolio	Total Interest Received	Interest Transferred to Wells Fargo*	Net Interest Activity (Reinvested)**
001 - Water System Consolidated	365,624.09	-	365,624.09
007 - Wastewater Consolidated	92,570.67	-	92,570.67
049 - Ferc Partnership	22,440.20	-	22,440.20
009 - BACWA	25,387.40	-	25,387.40
015 - DERWA	11,221.11	-	11,221.11
002 - FRWA	11,221.11	-	11,221.11
014 - IICP	1,689.00	-	1,689.00
010 - UMRWA	718.68	-	718.68
003 - Employees Retirement	121,240.84	-	121,240.84
065 - Water S2008A DSRF	-	-	-
068 - Water 2010A DSRF	-	-	-
Interest Transactions Total	652,113.10	-	652,113.10
099 - Wells Fargo	-	-	-
Total	652,113.10	-	652,113.10

*Coupon and other interest received; reinvestment unavailable.

**Coupon and other interest payments reinvested in specific portfolio.

Aaron Cinco
 Prepared by: Aaron Cinco, Accounting Technician

Kevin Ma
 Reviewed by: Kevin Ma, Accounting Supervisor

David Glasser
 Approved by: David Glasser, Controller

5/6/24
 Date
 May 6, 2024

Date
 May 6, 2024
 Date



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Interest Activity
April 2024

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Interest Received (Transferred to Wells Fargo)										

0.00 0.00 - -



EAST BAY MUNICIPAL UTILITY DISTRICT
 Monthly Interest Activity
 April 2024

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Interest Received (Reinvested)										
001 - Water System Consolidated	Money Market Mutual Funds	Federated MM	GOFXX	4/1/2024	4/1/2024	N/A	-	-	43,021.33	43,021.33
001 - Water System Consolidated	Money Market Mutual Funds	Morgan Stanley I	MVRXX	4/1/2024	4/1/2024	N/A	-	-	35,282.49	35,282.49
001 - Water System Consolidated	Money Market Mutual Funds	State Street MM	GVMXX	4/1/2024	4/1/2024	N/A	-	-	42,959.78	42,959.78
001 - Water System Consolidated	LAIF	LAIF LGIP	LGIP1001	4/15/2024	4/15/2024	N/A	-	-	103,492.28	103,492.28
001 - Water System Consolidated	Local Government Investment Pool	CAMP LGIP	CAMP6035	4/30/2024	4/30/2024	N/A	-	-	140,868.21	140,868.21
							Total			365,624.09
002 - FRWA	LAIF	LAIF LGIP	LGIP1001	4/15/2024	4/15/2024	N/A	-	-	11,221.11	11,221.11
							Total			11,221.11
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	4/15/2024	4/15/2024	N/A	-	-	121,240.84	121,240.84
							Total			121,240.84
007 - Wastewater Consolidated	Money Market Mutual Funds	Federated MM	GOFXX	4/1/2024	4/1/2024	N/A	-	-	12,418.01	12,418.01
007 - Wastewater Consolidated	Money Market Mutual Funds	Morgan Stanley I	MVRXX	4/1/2024	4/1/2024	N/A	-	-	8,470.01	8,470.01
007 - Wastewater Consolidated	Money Market Mutual Funds	State Street MM	GVMXX	4/1/2024	4/1/2024	N/A	-	-	12,553.85	12,553.85
007 - Wastewater Consolidated	LAIF	LAIF LGIP	LGIP1001	4/15/2024	4/15/2024	N/A	-	-	25,141.80	25,141.80
007 - Wastewater Consolidated	Local Government Investment Pool	CAMP LGIP	CAMP6035	4/30/2024	4/30/2024	N/A	-	-	33,987.00	33,987.00
							Total			92,570.67
009 - BACWA	LAIF	LAIF LGIP	LGIP1001	4/15/2024	4/15/2024	N/A	-	-	25,387.40	25,387.40
							Total			25,387.40
010 - UMRWA	LAIF	LAIF LGIP	LGIP1001	4/15/2024	4/15/2024	N/A	-	-	718.68	718.68
							Total			718.68
014 - IICP	LAIF	LAIF LGIP	LGIP1001	4/15/2024	4/15/2024	N/A	-	-	1,689.00	1,689.00
							Total			1,689.00
015 - DERWA	LAIF	LAIF LGIP	LGIP1001	4/15/2024	4/15/2024	N/A	-	-	11,221.11	11,221.11
							Total			11,221.11
049 - Ferc Partnership	LAIF	LAIF LGIP	LGIP1001	4/15/2024	4/15/2024	N/A	-	-	22,440.20	22,440.20
							Total			22,440.20
									0.00	0.00
									652,113.10	652,113.10

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: May 23, 2024

MEMO TO: Board of Directors

THROUGH: Clifford C. Chan, General Manager *CCC*

FROM: Sophia D. Skoda, Director of Finance *SDS*

SUBJECT: Revisions to Annual Investment Policy

SUMMARY

Staff recommends the Finance/Administration Committee approve revisions to Policy 4.07 – Investments, which was last revised on May 23, 2023, and renewal of existing delegation of authority for the management of investments on behalf of the District and Joint Powers Authorities to the Director of Finance, as the Treasurer of the District. This item will be presented at the May 28, 2024 Finance/Administration Committee meeting.

DISCUSSION

The District presents a statement of investment policy to the Board for their consideration annually, as permitted under Section 53646 of the California Government Code. The District's Policy 4.07 has been reviewed and updated to ensure continued compliance with the Government Code, the District's mission, values, and policies, and provide guidance and a framework for the investment process.

In August 2023, Policy 4.07 was submitted to the California Municipal Treasurer's Association (CMTA) for their review and certification. The policy was reviewed and passed by a panel of three CMTA members, thereby renewing its certification. The CMTA panel recommended one addition to the policy, as described below. Additionally, one edit to the policy is recommended by District staff.

Staff concluded that no updates were required to the policy based on legislative updates.

Addition to Policy 4.07

In the updated policy, a clause was added stating the District will review the disclosures and holdings of local government investment pools (LGIPS) on an annual basis. While staff currently reviews investments on a regular basis, this change is recommended to provide additional structure to the annual surveillance process of the District's portfolio. This ensures that the LGIPS are still appropriate investments.

Edit to Policy 4.07

There is one recommended edit to fix a typo in the policy. In the “Rating Agencies and Rating Requirements” section, in the second bullet under Rating requirements, the word “our” has been changed to “or” to reflect the intended word choice.

NEXT STEPS

This item will be brought to the Board for consideration at its May 28, 2024 meeting.

CCC:SDS:sgl

Attachments: 1. CMTA News Release August 1, 2023
2. Policy 4.07 Draft
3. Policy 4.07 Final



CMTA

News Release

FOR IMMEDIATE RELEASE

Date: August 1, 2023

For more information contact:
Shaun L. Farrell, Chairperson
CMTA Investment Policy Certification
Phone: 209-712-0428
Email: sfarrell@cityofgalt.org

(Sacramento, California) – The California Municipal Treasurers Association (CMTA) Investment Policy Certification has been granted to the **East Bay Municipal Utility District**.

This Investment Policy Certification recognizes that CMTA has validated that the East Bay Municipal Utility District's Investment Policy adheres with the State of California Government Code and meets the program requirements within 18 different topics areas deemed to be best practices for investment policies. Those topics include: Scope, Prudence, Objective, Delegation of Authority, Ethics and Conflicts of Interest, Authorized Financial Dealers and Institutions, Authorized and Suitable Investments, Review of Investment Portfolio, Investment Pools/Mutual Funds, Collateralization, Safekeeping and Custody, Diversification, Maximum Maturities, Internal Controls, Performance Standards, Reporting, Investment Policy Adoption and Glossary. Once a policy is received by CMTA, it is independently evaluated using a scoring matrix by three separate CMTA professionals. When the agency receives a passing score, the Investment Policy earns the 'Certified' distinction.

To enhance the municipal treasurer's role, CMTA has developed a number of certification programs to reflect best practices and increase an individual's knowledge of fixed income instruments. The Investment Policy Certification program began in 2012 with the support from the California Debt and Investment Advisory Commission. It is open to all government agencies within the State of California including special districts, cities and counties.

CMTA was founded in 1958 by a handful of Municipal Treasurers from both Northern and Southern California whose primary interest was to improve their function in local Government. CMTA is a professional organization governed by active public officials who are representatives of their own local governmental units.

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Policy 4.07R

EFFECTIVE [28 MAY 24](#)
~~[23 MAY 23](#)~~

SUPERSEDES [23 MAY 23](#)
~~[24 MAY 22](#)~~

INVESTMENTS

IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Invest District funds and funds managed by the District on behalf of its Joint Powers Authorities (JPAs) in compliance with investment criteria for safety, liquidity, yield, and diversification as set forth herein. Investments shall be in securities with a range of maturities to provide adequate security and liquidity to pay demands when due while providing a risk-adjusted market rate of return on investments that takes into consideration the cash flow needs of the District and its JPAs.

Authority Section 53600 et. seq. of the California Government Code (Government Code) and Chapter 6, Article 7 of the Municipal Utility District Act (M.U.D. Act) govern the investment of idle monies of the District. Section 53635 of the Government Code defines how investments are to be handled for Joint Powers Authorities.

Delegation of Authority The authority and responsibility to invest idle monies of the District are delegated by the Board to the Director of Finance as the Treasurer. The Director of Finance may designate individual staff to carry out his/her responsibilities under this policy.

No Bond Proceeds The investment of bond proceeds is specifically defined in individual bond indenture documents and is not included in this policy. This exemption also applies to funds held at the Trustee in Principal, Interest, Debt Service Reserve, or other accounts for the purpose of servicing the bonds.

Ethics and Conflicts of Interest Officers and employees involved in the investment process shall:

- refrain from personal business activity that could conflict with proper execution of the District's investment program, or which could impair their ability to make impartial investment decisions on behalf of the District,
- disclose any material financial interest in financial institutions that conduct business with the District,
- disclose material personal financial/investments that are related to or could reasonably be affected by the performance of the District's investments,
- refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the District's investments, and
- comply with the District's Conflict of Interest Code, Procedure 418 - Gifts, Personal Loans and Personal Benefit Interests, Procedure 601 - Conflict of Interest Disqualification Procedure, and District Procedure 447 - Vendor Interactions and Procurement Integrity

Investment Criteria and Objectives Criteria for selecting investments shall:

- adhere to the prudent investor standard, described in Section 53600.3 of the Government Code as follows: "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," **and**

- conform with the Government Code and the M.U.D. Act, **and**
- align with District policies, mission and values, **and**
- have the following objectives, in order of priority:
 1. *Safety* – The District's ability to recover principal and interest. Investments shall be made that will seek to ensure the preservation of principal and interest and to minimize risk to the greatest extent possible. It is the primary duty of the Treasurer to protect, preserve and maintain cash and investments on behalf of the District.
 2. *Liquidity* – The District's ability to have cash available when needed to support expenditure cycles and budgetary objectives.
 3. *Yield* – The District's ability to provide a risk-adjusted market rate of return on the District's investments while conforming to the safety and liquidity criteria above.
 4. *Diversification* – The District's ability to maintain an investment portfolio that includes a range of security types. In order to accomplish this, each Investment Option shall have defined limits on maximum share of the portfolio, single issuer and single issue holdings; and maturity, rating and other restrictions where applicable.

Environmental, Social and Governance Factors

It is the intent of the District to align its investment decisions with its policies, mission, and values. Safety, liquidity, yield and diversification are the District's primary investment objectives. The District will also consider sound Environmental, Social and Governance (ESG) factors and objectives in its investment process, subject to the prudent investor standard.

Maturity

The weighted average maturity of the portfolio shall not exceed 900 days.

Rating Agencies and Rating Requirements

As outlined below, some Investment Options have rating requirements. In that context, Rating Agencies is defined as:

- Standard & Poor's Financial Services (S&P),
- Moody's Investors Service (Moody's), and
- Fitch Ratings (Fitch), only.

Ratings requirements:

- are provided using the S&P scale and should be read as "or equivalent" to other Rating Agencies scales. Rating Agencies scales are included for reference in Exhibit 1,
- apply at the time of purchase only, with subsequent downgrades below requirement levels or the assignment of negative watch ~~or~~ outlook prompting a case-by-case evaluation of the investment, and
- only apply to the Rating Agencies rating the security.

**Investment
Options**

The District is able to purchase investments in the instruments listed in this section as allowed and defined under Section 53600 et. seq. of the Government Code, Chapter 6, Article 7 of the M.U.D. Act, Board Resolutions, and via this policy. Percentage limitations, where indicated, apply at the time of purchase. As used in this section, the term "Portfolio" refers to all investable funds covered by this policy.

1. United States Treasury Obligations

- Maximum Share of Portfolio: Unlimited
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed five (5) years from the settlement date
- Minimum Rating: n/a
- Other Restrictions: none

2. United States Government Agencies Obligations

Under this subsection, only obligations issued by the following agencies are permitted:

- o Federal Agricultural Mortgage Corporation (FAMC)
- o Federal Farm Credit Bank (FFCB)
- o Federal Home Loan Bank (FHLB)
- o Federal Home Loan Mortgage Corporation (FHLMC)
- o Federal National Mortgage Association (FNMA)
- Maximum Share of Portfolio: Unlimited
- Maximum Issuer Limit: 40% of the Portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed five (5) years from the settlement date
- Minimum Rating: n/a
- Other Restrictions: none

3. State of California, Local Agency Investment Fund (LAIF)

- Maximum Share of Portfolio: as determined by the State Treasurer and in accordance with Section 16429.1 of the Government Code
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: n/a
- Other Restrictions: none

4. Local Government Investment Pools

Under this subsection, only obligations of the following agencies are permitted:

- California Asset Management Program (CAMP)
- Investment Trust of California (CalTRUST)
- Maximum Share of Portfolio: 40% of the Portfolio
- Maximum Issuer Limit: 20% of the Portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: Ratings of AAAM for stable net asset value funds and AA category or higher for floating net asset value funds by at least one Rating Agency
- Other Restrictions: none

[The District will review each Pool's disclosure documents annually to assess the suitability of the fund's holdings. These documents, along with the other criteria above, including the rating restriction, will be used to determine the suitability to receive Portfolio funds.](#)

5. Money Market Mutual Funds

Under this subsection, only Money Market Mutual Funds with stable, non-floating net asset value are permitted:

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Fund Limit: 5% of Money Market Mutual Fund's assets
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: AAAM by at least two Rating Agencies
- Other Restrictions: none

The District will request from each Money Market Mutual Fund, prior to investing and on an annual basis after investing, documents which provide details on the operations of the fund. These documents, along with the other criteria above, including the rating restriction, will be used to determine the suitability to receive Portfolio funds.

6. Certificates of Time Deposit

Under this subsection, only investments in selected depositories, using one or more private sector entity, in compliance with and as authorized under Government Code Section 53601.8 are permitted.

- Maximum Share of Portfolio: 20% of the Portfolio when added together with Negotiable Certificates of Deposit
- Maximum Issuer Limit: applicable maximum FDIC deposit insurance coverage limit
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed one (1) year from the settlement date
- Minimum Rating: AA- by at least one Rating Agency
- Other Restrictions:
 - Investment in local branches within the District, whenever possible.

7. Negotiable Certificates of Deposit

- Maximum Share of Portfolio: 20% of the Portfolio when added together with Certificates of Time Deposits
- Maximum Issuer Limit: applicable maximum FDIC deposit insurance coverage limit
- Maximum Issue Limit: 10% of issue
- Maximum Maturity: Not to exceed five (5) years from the settlement date
- Minimum Rating: AA- by all Rating Agencies
- Other Restrictions:
 - o Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more.

8. Commercial Paper

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: 5% of the portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed 270 days from the settlement date
- Minimum Rating: A-1+ from at least one Rating Agency
- Other Restrictions:
 - o Issued by an entity that is, at the time of purchase:
 - organized and operating in the United States as a general corporation, with total assets exceeding \$500,000,000 and debt (other than commercial paper) rated A or better by at least one Rating Agency ; or
 - is organized within the United States as a special purpose corporation, trust, or limited liability company, with program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond, **and** has commercial paper that is rated A-1+ by at least one Rating Agency.

9. Medium Term Corporate Notes

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: 5% of the Portfolio
- Maximum Issue Limit: 5% of original issue amount
- Maximum Maturity: Not to exceed 5 years from the settlement date
- Minimum Rating: AA- from at least one Rating Agency, and not lower than A by any Rating Agency
- Other Restrictions:
 - o Issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

10. Repurchase Agreements

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed 270 days from the settlement date
- Minimum Rating: n/a
- Other Restrictions:
 - o Collateral may only be in any securities authorized in items 1, or 2
 - o A Master Repurchase Agreement must be on file with the District
 - o Security must be marked to market on a daily basis and delivered to the District's custodial bank at a market value of at least 102%

Funds on deposit at the District's commercial bank may be invested in overnight repurchase agreements through a sweep program.

11. Municipal Obligations

Under this subsection, only registered obligations of the following agencies are permitted:

- o The State of California
- o Any local agency within the State of California
- Municipal Bonds:
 - o Maximum Share of Portfolio: 20% of the Portfolio when added together with Municipal Notes
 - o Maximum Issuer Limit: 5% of the Portfolio
 - o Maximum Issue Limit: 10% of original issue amount
 - o Maximum Maturity: Not to exceed five (5) years or with a put provision within five (5) years of settlement date
 - o Minimum Rating: AA- or equivalent by at least one Rating Agency, and not lower than A by any Rating Agency
 - o Other Restrictions: none
- Municipal Notes:
 - o Maximum Share of Portfolio: 20% of the Portfolio together with Municipal Bonds
 - o Maximum Issuer Limit: 5% of the Portfolio
 - o Maximum Issue limit: 10% of original issue amount
 - o Maximum Maturity: n/a
 - o Minimum Rating: Notes maturing within 365 days must have a rating of SP-1+ from at least one Rating Agency
 - o Other Restrictions: none

Zero or Negative Market Rates

As authorized under Section 53601.6 and at the discretion of the Director of Finance or its designees, investments can be made "in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates." Those investment may also then be held until their maturity dates. This provision sunsets January 1, 2026.

Investment Placement	Investment placement shall be determined by, but not limited to, continual evaluation and projection of market conditions, interest rate trends, cash flow needs, economic data, yield curves, and interest rate forecasts. Additionally, for investments purchased or sold in the secondary market, best efforts will be made to obtain at least three quotations from Purchasing Entities (as defined below) or to obtain timely and verifiable third-party market pricing data for the investment in question. The combination of these factors shall determine where, in what denomination, and for what maturity investments are made.
Selling Securities Prior To Maturity	When selling securities prior to maturity, principal losses are only allowable either: <ul style="list-style-type: none">- if the sale of securities is necessary to meet payment obligations,- to comply with this policy, while considering the impact of the sale(s), or- if the proposed sale is to be made in conjunction with a purchase and the proposed sale in combination with the subsequent purchase can enhance the Portfolio's yield.
Collateral	Securities placed with agents of depository shall at all times be maintained as specified in District Resolution 33232-01 in one or more trust companies, State or national banks located within California, the Federal Reserve Bank, or with any state or national bank located in any city designated as a federal reserve city by the Board of Governors of the Federal Reserve System, and to take from any such banks or trust companies receipts for securities so deposited. Requests for Collateral substitution and releases are subject to the Treasurer's written approval.
Portfolio Performance	The Portfolio will seek to attain a risk-adjusted market rate of return that takes into consideration the cash flow needs of the District. As a result, portfolio performance will be measured using common market indicators. Those may include, but are not limited to: the Federal funds rate, short-term government obligations rates, and other market rates that reflect the mix of securities in the Portfolio.
Purchasing Entities	Investments will be purchased from either: <ul style="list-style-type: none">- Primary Dealers as designated by the Federal Reserve Bank of New York,- National or California State Chartered Banks,- Federal or California Chartered Savings Institution,- Broker-Dealers registered with the State of California, or- Issuers of securities eligible for purchase by the District. In addition, these institutions must: <ul style="list-style-type: none">- be registered by the Securities and Exchange Commission (SEC),- be members in good standing of the Financial Industry Regulatory Authority (FINRA), and- provide audited financial statements to the District annually. The District shall maintain a current eligible list of established dealers, brokers, banks and savings and loan associations with which securities trading and placement of funds are authorized.

Additionally, to be placed on the eligible list, individuals need to certify in writing that they have read, understood, and agree to comply with this policy, where applicable, by completing and filing with the District the 'Certification of Compliance with Investment Policy' included in this policy as Exhibit 2.

Eligibility may be revoked at any time, in the District's sole discretion, for any reason, including but not limited to, failure to meet the above requirements.

**Trade
Confirmations and
Settlements**

The District shall comply with the following:

1. To protect against potential losses by collapse of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all Securities purchased from dealers and brokers shall be held in safekeeping by the District's custodial bank, a national bank, a State chartered bank or trust company, established for this purpose as someone other than the selling party of the security. Securities purchased will be covered by a trust or safekeeping receipt in a manner that establishes the District's ownership. All transactions require delivery of the security prior to payment for the security (delivery vs. payment).
 2. To ensure a high degree of internal control, all trade confirmations shall be received directly and reviewed for conformity to the original transaction by an individual other than the person originating the transaction. Any discrepancies will be brought to the attention of the Treasurer.
-

**Review And
Reporting
Requirements**

On a monthly basis, in accordance with Section 53607 of the Government Code, the Treasurer shall prepare and submit a report listing investment transactions to the General Manager and the Board of Directors.

On a quarterly basis, in accordance with Section 53646 of the Government Code, the Treasurer may prepare and submit a report to the General Manager and the Board of Directors. If rendered, the report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and moneys held by the District, and provide an investment summary by security type, percent of the portfolio, investment yield and the remaining period of investment to maturity.

On an annual basis, in accordance with Section 53646 of the Government Code, an investment policy may be presented to the Board for consideration at a public meeting. In conjunction with the investment policy consideration, the Board shall also annually review the delegation of its authority for the management of investments to the Treasurer.

**Performance
Review And
Internal Control**Office of Internal Audit

The Office of Internal Audit will periodically audit the investment portfolio to evaluate the effectiveness of the District's investment program as well as its compliance with the Investment Policy. These audits will supplement the annual review by the District's external auditors.

Finance Department

The Treasurer has established and maintains an internal control structure designed to ensure that funds covered under this policy are protected from loss, theft, fraud, or misuse.

The Treasurer will review the investment portfolio monthly for compliance with the Investment Policy and make recommendations for changes and improvements where warranted.

Authority

Resolution No. 33019-96 on December 10, 1996
Amended by Resolution No. 33134-99 on January 26, 1999
Amended by Resolution No. 33232-01 on January 9, 2001
Amended by Resolution 33287-02 on January 22, 2002
Amended by Resolution 33350-03 on February 25, 2003
Amended by Resolution 33390-04 on January 27, 2004
Amended by Resolution 33464-05 on February 22, 2005
Amended by Resolution 33516-06 on January 24, 2006
Amended by Resolution 33585-07 on March 13, 2007
Approved by Resolution 33658-08, February 26, 2008
Approved by Resolution 33702-09, February 24, 2009
Approved by Resolution 33752-10, January 26, 2010
Approved by Resolution 33792-10, November 23, 2010
Approved by Resolution 33871-12, April 24, 2012
Approved by Resolution 33920-13, March 26, 2013
Reaffirmed by Motion 056-14, March 25, 2014
Approved by Resolution 34027-15, April 28, 2015
Approved by Resolution 34079-16, April 26, 2016
Approved by Resolution 35033-17, April 25, 2017
Approved by Resolution 35083-18, April 24, 2018
Approved by Resolution 35137-19, April 23, 2019
Approved by Resolution 35174-20, April 28, 2020
Approved by Resolution 35220-21, April 27, 2021
Approved by Resolution 35290-22, May 24, 2022
Approved by Resolution 35346-23, May 23, 2023
[Approved by Resolution XXXXX-24, May 28, 2024](#)

References

EBMUD Conflict of Interest Code
Procedure 418 – Gifts, Personal Loans and Personal Benefit Interests
Procedure 447 – Vendor Interactions and Procurement Integrity
Procedure 601 – Conflict of Interest Disqualification Procedure

**EXHIBIT 1
RATING AGENCIES' SCALES**

For purposes of Investment Policy 4.07 the term "Rating Agencies" is defined as: Standard & Poor's Financial Services (S&P), Moody's Investors Service (Moody's), and Fitch Ratings (Fitch).

Ratings requirements are provided using the S&P scale and should be read as "or equivalent" to other Rating Agencies scales. The equivalencies are provided in the tables below.

EXAMPLE

Investment Option 6, Certificates of Time Deposits, shows:

"Minimum Rating: AA- by at least one Rating Agency"

This requirement should be read as:

"Minimum Rating: AA- *or equivalent* by at least one Rating Agency."

To determine the equivalent rating in the table below, find the AA- rating under the S&P column and read across the row to find the Moody's equivalent rating of Aa3 and the Fitch equivalent rating of AA-. Accordingly, a Certificate of Time Deposit is equivalent as an investment if it is rated AA- by S&P, Aa3 by Moody's, or AA- by Fitch.

INVESTMENT-GRADE RATING SCALES

LONG-TERM DEBT		
S&P	MOODY'S	FITCH
AAA	Aaa	AAA
AA+	Aa1	AA+
AA	Aa2	AA
AA-	Aa3	AA-
←Minimum rating required for District investments		
A+	A1	A+
A	A2	A
A-	A3	A-
BBB+	Baa1	BBB+
BBB	Baa2	BBB
BBB-	Baa3	BBB-

SHORT-TERM DEBT		
S&P	MOODY'S	FITCH
A-1+	P-1	F1+
←Minimum rating required for District investments		
A-1	-	F1
A-2	P-2	F2
A-3	P-3	F3

MONEY MARKET FUNDS		
S&P	MOODY'S	FITCH
AAAm	Aaa-mf	AAAf
←Minimum rating required for District investments		
AAm	Aa-mf	AAf
Am	A-mf	Af
BBBm	Baa-mf	BBBf

STABLE NAV LGIPs		
S&P	MOODY'S	FITCH
AAAm	Aaa-mf	AAAf
AAm	Aa-mf	AAf
Am	A-mf	Af
BBBm	Baa-mf	BBBf

←Minimum rating required for District investments

FLOATING NAV LGIPs		
S&P	MOODY'S	FITCH
AAAf	Aaa-mf	AAAf
AAf	Aa-mf	AAf
Af	A-mf	Af
BBBf	Baa-mf	BBBf

←Minimum rating required for District investments

EXHIBIT 2
East Bay Municipal Utility District
Certification of Compliance with Investment Policy

The East Bay Municipal Utility District (the District), under Policy 4.07 (the Investment Policy), requires that securities trading and placement of funds be conducted only with eligible Purchasing Entities. The Investment Policy also specifies that the District must obtain written certification that eligible Purchasing Entities have read, understood, and agree to comply with the Investment Policy, where applicable. This certification is necessary to be included on an approved list of Purchasing Entities that are eligible to conduct investment transactions with the District. The District has no obligation to enter into securities trading and/or placement of funds transactions with any or all Purchasing Entities on the list. The District retains the sole and exclusive discretion to determine with which of the Purchasing Entities, if any, to engage in individual investment transactions. Eligibility may be revoked at any time, at the District's sole discretion, for any reason, including but not limited to, failure to meet the requirements of the policy and this exhibit.

Please complete the sections below, sign and return this completed form if you wish to be considered for inclusion on the approved list of Purchasing Entities eligible to conduct investment transactions with the District. Please send completed form:

via mail, to:
Steven Goodman-Leibof
East Bay Municipal Utility District
375 11th Street, MS809
Oakland, CA 94607

and electronically, to:
steven.goodman-leibof@ebmud.com

A. Entity Name _____

- B.** My entity is a: (choose all that apply, **at least one must be checked for eligibility**)
- Primary Dealer as designated by the Federal Reserve Bank of New York
 - National or California State Chartered Bank
 - Federal or California Chartered Savings Institution
 - Broker-Dealer registered with the State of California

AND

I certify that my entity is: (**both must be checked for eligibility**)

- registered by the Securities and Exchange Commission (SEC)
- a member in good standing of the Financial Industry Regulatory Authority (FINRA)

- C.** My entity is an:
- issuer of securities eligible for purchase by the District

- D.** My entity:
- participates in the District's Contract Equity Program

- E.** I have provided:
- Audited Financial Statements

I certify that I have read, understood, and agree to comply where applicable with the District's Investment Policy.

Print Name _____

Sign Name _____

Title _____

Date _____

EXHIBIT 3
East Bay Municipal Utility District
Investment Policy Quick Reference Table

The following is a summary of Investment Options and a few of their requirements. Full details on each Investment Option can be found in the main body of the Investment Policy on pages 2 through 5.

Investment Option	Maximum Share of Portfolio	Minimum Rating at purchase	Maximum Maturity at settlement	Additional Limitations
United States Treasury Obligations	100%	n/a	5 years	see page 2, Item 1
United States Government Agencies Obligations	100%	n/a	5 years	see page 3, Item 2
State of California, Local Agency Investment Fund	per Government Code	n/a	n/a	see page 3, Item 3
Local Government Investment Pools - Stable Net Asset Value	40%	AAAm	n/a	see page 4, Item 4
Local Government Investment Pools - Floating Net Asset Value		AA-f		
Money Market Mutual Funds	20%	AAAm	n/a	see page 3, Item 5
Certificates of Time Deposit	20%	AA-	1 year	see page 3-4, Item 6
Negotiable Certificates of Deposit		AA-	5 years	see page 4, Item 7
Commercial Paper	20%	A-1+	270 days	see page 4, Item 9
Medium Term Corporate Notes	20%	AA-	5 years	see page 4, Item 9
Repurchase Agreements	20%	n/a	270 days	see page 5, Item 10
Municipal Obligations	20%	AA-	5 years	see page 5, Item 11

EXHIBIT 4
Glossary of Investment Terms Used in the Policy

This Glossary is for informational purposes only and is not intended to modify any of the terms of this Investment Policy, the Government Code, or the M.U.D. Act.

AVERAGE MATURITY	A calculation that expresses the average maturity of an investment portfolio using each investment's maturity weighted by the size of that investment in the portfolio.
BROKER	A broker brings buyers and sellers together and is compensated for his/her service.
CERTIFICATE OF DEPOSIT (CD)	A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CDs are typically negotiable.
COLLATERAL	Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.
COMMERCIAL PAPER (CP)	Short-term unsecured promissory notes.
CUSTODIAN	A bank or other financial institution that keeps custody of stock certificates and other assets.
DEALER	A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.
DELIVERY VS. PAYMENT (DVP)	Delivery of securities with a simultaneous exchange of money for the securities.
DIVERSIFICATION	An investment principle designed to spread the risk in a portfolio by dividing investments among different sectors, industries and companies.
GOVERNMENT SECURITIES	Obligations of the U.S. Government and its agencies and instrumentalities.
INTEREST	The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.
LIQUIDITY	The speed and ease with which an investment can be converted to cash.
MATURITY	The date upon which the principal or stated value of an investment becomes due and payable.
MEDIUM TERM NOTES (MTN)	Debt securities issued by a corporation or depository institution with a remaining maturity ranging from nine months to five years.
MONEY MARKET MUTUAL FUNDS	An investment company that pools money from investors and invest in a variety of short-term money market instruments.
NET ASSET VALUE (NAV)	A per-share valuation of a mutual fund based on total assets minus total liabilities.
PRIMARY DEALER	A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight.
PRINCIPAL	The face value or par value of an investment.
RATE OF RETURN	The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.
RISK (INVESTMENT RISK)	The probability that an actual investment return outcome will differ from an expected return outcome.
RISK-ADJUSTED RETURN	The return on investment relative to the amount of risk taken over a given period of time (e.g. if two or more investments have the same return over a given time period, the one that has the lowest risk will

	have the better risk-adjusted return).
REPURCHASE AGREEMENT	The purchase of securities, on a temporary basis, with the seller's simultaneous agreement to repurchase the securities back at a later date at a specified price that includes interest for the buyer's holding period.
SAFEKEEPING	Storage and protection of a customer's financial assets, valuables, or documents, provided as a service by an institution serving as Agent or Custodian and, where control is delegated by the customer.
SECONDARY MARKET	A market made for the purchase and sale of outstanding issues following the initial distribution.
SETTLEMENT DATE	The date when the security is delivered in exchange for the corresponding payment.
TREASURY BILLS	A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.
TREASURY BONDS	Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years from date of issue.
TREASURY NOTES	Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years from date of issue.
U. S. GOVERNMENT AGENCY SECURITIES	Debt securities issued by U.S. Government sponsored enterprises and federally related institutions.
U.S. TREASURY SECURITIES	Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States.
YIELD	The annual rate of return on a debt investment expressed as a percentage.



Policy 4.07

EFFECTIVE 28 MAY 24

SUPERSEDES 23 MAY 23

INVESTMENTS

IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Invest District funds and funds managed by the District on behalf of its Joint Powers Authorities (JPAs) in compliance with investment criteria for safety, liquidity, yield, and diversification as set forth herein. Investments shall be in securities with a range of maturities to provide adequate security and liquidity to pay demands when due while providing a risk-adjusted market rate of return on investments that takes into consideration the cash flow needs of the District and its JPAs.

Authority Section 53600 et. seq. of the California Government Code (Government Code) and Chapter 6, Article 7 of the Municipal Utility District Act (M.U.D. Act) govern the investment of idle monies of the District. Section 53635 of the Government Code defines how investments are to be handled for Joint Powers Authorities.

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Ethics and Conflicts of Interest Officers and employees involved in the investment process shall:

- refrain from personal business activity that could conflict with proper execution of the District's investment program, or which could impair their ability to make impartial investment decisions on behalf of the District,
- disclose any material financial interest in financial institutions that conduct business with the District,
- disclose material personal financial/investments that are related to or could reasonably be affected by the performance of the District's investments,
- refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the District's investments, and
- comply with the District's Conflict of Interest Code, Procedure 418 - Gifts, Personal Loans and Personal Benefit Interests, Procedure 601 - Conflict of Interest Disqualification Procedure, and District Procedure 447 - Vendor Interactions and Procurement Integrity

Investment Criteria and Objectives Criteria for selecting investments shall:

- adhere to the prudent investor standard, described in Section 53600.3 of the Government Code as follows: "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," **and**

- conform with the Government Code and the M.U.D. Act, **and**
- align with District policies, mission and values, **and**
- have the following objectives, in order of priority:
 1. *Safety* – The District's ability to recover principal and interest. Investments shall be made that will seek to ensure the preservation of principal and interest and to minimize risk to the greatest extent possible. It is the primary duty of the Treasurer to protect, preserve and maintain cash and investments on behalf of the District.
 2. *Liquidity* – The District's ability to have cash available when needed to support expenditure cycles and budgetary objectives.
 3. *Yield* – The District's ability to provide a risk-adjusted market rate of return on the District's investments while conforming to the safety and liquidity criteria above.
 4. *Diversification* – The District's ability to maintain an investment portfolio that includes a range of security types. In order to accomplish this, each Investment Option shall have defined limits on maximum share of the portfolio, single issuer and single issue holdings; and maturity, rating and other restrictions where applicable.

**Environmental,
Social and
Governance
Factors**

It is the intent of the District to align its investment decisions with its policies, mission, and values. Safety, liquidity, yield and diversification are the District's primary investment objectives. The District will also consider sound Environmental, Social and Governance (ESG) factors and objectives in its investment process, subject to the prudent investor standard.

Maturity

The weighted average maturity of the portfolio shall not exceed 900 days.

**Rating Agencies
and Rating
Requirements**

As outlined below, some Investment Options have rating requirements. In that context, Rating Agencies is defined as:

- Standard & Poor's Financial Services (S&P),
- Moody's Investors Service (Moody's), and
- Fitch Ratings (Fitch), only.

Ratings requirements:

- are provided using the S&P scale and should be read as "or equivalent" to other Rating Agencies scales. Rating Agencies scales are included for reference in Exhibit 1,
- apply at the time of purchase only, with subsequent downgrades below requirement levels or the assignment of negative watch or outlook prompting a case-by-case evaluation of the investment, and
- only apply to the Rating Agencies rating the security.

**Investment
Options**

The District is able to purchase investments in the instruments listed in this section as allowed and defined under Section 53600 et. seq. of the Government Code, Chapter 6, Article 7 of the M.U.D. Act, Board Resolutions, and via this policy. Percentage limitations, where indicated, apply at the time of purchase. As used in this section, the term "Portfolio" refers to all investable funds covered by this policy.

1. United States Treasury Obligations

- Maximum Share of Portfolio: Unlimited
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed five (5) years from the settlement date
- Minimum Rating: n/a
- Other Restrictions: none

2. United States Government Agencies Obligations

Under this subsection, only obligations issued by the following agencies are permitted:

- o Federal Agricultural Mortgage Corporation (FAMC)
- o Federal Farm Credit Bank (FFCB)
- o Federal Home Loan Bank (FHLB)
- o Federal Home Loan Mortgage Corporation (FHLMC)
- o Federal National Mortgage Association (FNMA)
- Maximum Share of Portfolio: Unlimited
- Maximum Issuer Limit: 40% of the Portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed five (5) years from the settlement date
- Minimum Rating: n/a
- Other Restrictions: none

3. State of California, Local Agency Investment Fund (LAIF)

- Maximum Share of Portfolio: as determined by the State Treasurer and in accordance with Section 16429.1 of the Government Code
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: n/a
- Other Restrictions: none

4. Local Government Investment Pools

Under this subsection, only obligations of the following agencies are permitted:

- California Asset Management Program (CAMP)
- Investment Trust of California (CalTRUST)
- Maximum Share of Portfolio: 40% of the Portfolio
- Maximum Issuer Limit: 20% of the Portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: Ratings of AAAm for stable net asset value funds and AA category or higher for floating net asset value funds by at least one Rating Agency
- Other Restrictions: none

The District will review each Pool's disclosure documents annually to assess the suitability of the fund's holdings. These documents, along with the other criteria above, including the rating restriction, will be used to determine the suitability to receive Portfolio funds.

5. Money Market Mutual Funds

Under this subsection, only Money Market Mutual Funds with stable, non-floating net asset value are permitted:

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Fund Limit: 5% of Money Market Mutual Fund's assets
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: AAAm by at least two Rating Agencies
- Other Restrictions: none

The District will request from each Money Market Mutual Fund, prior to investing and on an annual basis after investing, documents which provide details on the operations of the fund. These documents, along with the other criteria above, including the rating restriction, will be used to determine the suitability to receive Portfolio funds.

6. Certificates of Time Deposit

Under this subsection, only investments in selected depositories, using one or more private sector entity, in compliance with and as authorized under Government Code Section 53601.8 are permitted.

- Maximum Share of Portfolio: 20% of the Portfolio when added together with Negotiable Certificates of Deposit
- Maximum Issuer Limit: applicable maximum FDIC deposit insurance coverage limit
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed one (1) year from the settlement date
- Minimum Rating: AA- by at least one Rating Agency
- Other Restrictions:
 - Investment in local branches within the District, whenever possible.

7. Negotiable Certificates of Deposit

- Maximum Share of Portfolio: 20% of the Portfolio when added together with Certificates of Time Deposits
- Maximum Issuer Limit: applicable maximum FDIC deposit insurance coverage limit
- Maximum Issue Limit: 10% of issue
- Maximum Maturity: Not to exceed five (5) years from the settlement date
- Minimum Rating: AA- by all Rating Agencies
- Other Restrictions:
 - o Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more.

8. Commercial Paper

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: 5% of the portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed 270 days from the settlement date
- Minimum Rating: A-1+ from at least one Rating Agency
- Other Restrictions:
 - o Issued by an entity that is, at the time of purchase:
 - organized and operating in the United States as a general corporation, with total assets exceeding \$500,000,000 and debt (other than commercial paper) rated A or better by at least one Rating Agency ; or
 - is organized within the United States as a special purpose corporation, trust, or limited liability company, with program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond, **and** has commercial paper that is rated A-1+ by at least one Rating Agency.

9. Medium Term Corporate Notes

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: 5% of the Portfolio
- Maximum Issue Limit: 5% of original issue amount
- Maximum Maturity: Not to exceed 5 years from the settlement date
- Minimum Rating: AA- from at least one Rating Agency, and not lower than A by any Rating Agency
- Other Restrictions:
 - o Issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

10. Repurchase Agreements

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed 270 days from the settlement date
- Minimum Rating: n/a
- Other Restrictions:
 - o Collateral may only be in any securities authorized in items 1, or 2
 - o A Master Repurchase Agreement must be on file with the District
 - o Security must be marked to market on a daily basis and delivered to the District's custodial bank at a market value of at least 102%

Funds on deposit at the District's commercial bank may be invested in overnight repurchase agreements through a sweep program.

11. Municipal Obligations

Under this subsection, only registered obligations of the following agencies are permitted:

- o The State of California
- o Any local agency within the State of California

- Municipal Bonds:
 - o Maximum Share of Portfolio: 20% of the Portfolio when added together with Municipal Notes
 - o Maximum Issuer Limit: 5% of the Portfolio
 - o Maximum Issue Limit: 10% of original issue amount
 - o Maximum Maturity: Not to exceed five (5) years or with a put provision within five (5) years of settlement date
 - o Minimum Rating: AA- or equivalent by at least one Rating Agency, and not lower than A by any Rating Agency
 - o Other Restrictions: none

- Municipal Notes:
 - o Maximum Share of Portfolio: 20% of the Portfolio together with Municipal Bonds
 - o Maximum Issuer Limit: 5% of the Portfolio
 - o Maximum Issue limit: 10% of original issue amount
 - o Maximum Maturity: n/a
 - o Minimum Rating: Notes maturing within 365 days must have a rating of SP-1+ from at least one Rating Agency
 - o Other Restrictions: none

Zero or Negative Market Rates

As authorized under Section 53601.6 and at the discretion of the Director of Finance or its designees, investments can be made "in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates." Those investment may also then be held until their maturity dates. This provision sunsets January 1, 2026.

Investment Placement

Investment placement shall be determined by, but not limited to, continual evaluation and projection of market conditions, interest rate trends, cash flow needs, economic data, yield curves, and interest rate forecasts. Additionally, for investments purchased or sold in the secondary market, best efforts will be made to obtain at least three quotations from Purchasing Entities (as defined below) or to obtain timely and verifiable third-party market pricing data for the investment in question. The combination of these factors shall determine where, in what denomination, and for what maturity investments are made.

Selling Securities Prior To Maturity

When selling securities prior to maturity, principal losses are only allowable either:

- if the sale of securities is necessary to meet payment obligations,
 - to comply with this policy, while considering the impact of the sale(s), or
 - if the proposed sale is to be made in conjunction with a purchase and the proposed sale in combination with the subsequent purchase can enhance the Portfolio's yield.
-

Collateral

Securities placed with agents of depository shall at all times be maintained as specified in District Resolution 33232-01 in one or more trust companies, State or national banks located within California, the Federal Reserve Bank, or with any state or national bank located in any city designated as a federal reserve city by the Board of Governors of the Federal Reserve System, and to take from any such banks or trust companies receipts for securities so deposited. Requests for Collateral substitution and releases are subject to the Treasurer's written approval.

Portfolio Performance

The Portfolio will seek to attain a risk-adjusted market rate of return that takes into consideration the cash flow needs of the District. As a result, portfolio performance will be measured using common market indicators. Those may include, but are not limited to: the Federal funds rate, short-term government obligations rates, and other market rates that reflect the mix of securities in the Portfolio.

Purchasing Entities

Investments will be purchased from either:

- Primary Dealers as designated by the Federal Reserve Bank of New York,
- National or California State Chartered Banks,
- Federal or California Chartered Savings Institution,
- Broker-Dealers registered with the State of California, **or**
- Issuers of securities eligible for purchase by the District.

In addition, these institutions must:

- be registered by the Securities and Exchange Commission (SEC),
- be members in good standing of the Financial Industry Regulatory Authority (FINRA), **and**
- provide audited financial statements to the District annually.

The District shall maintain a current eligible list of established dealers, brokers, banks and savings and loan associations with which securities trading and placement of funds are authorized.

Additionally, to be placed on the eligible list, individuals need to certify in writing that they have read, understood, and agree to comply with this policy, where applicable, by completing and filing with the District the 'Certification of Compliance with Investment Policy' included in this policy as Exhibit 2.

Eligibility may be revoked at any time, in the District's sole discretion, for any reason, including but not limited to, failure to meet the above requirements.

**Trade
Confirmations and
Settlements**

The District shall comply with the following:

1. To protect against potential losses by collapse of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all Securities purchased from dealers and brokers shall be held in safekeeping by the District's custodial bank, a national bank, a State chartered bank or trust company, established for this purpose as someone other than the selling party of the security. Securities purchased will be covered by a trust or safekeeping receipt in a manner that establishes the District's ownership. All transactions require delivery of the security prior to payment for the security (delivery vs. payment).
 2. To ensure a high degree of internal control, all trade confirmations shall be received directly and reviewed for conformity to the original transaction by an individual other than the person originating the transaction. Any discrepancies will be brought to the attention of the Treasurer.
-

**Review And
Reporting
Requirements**

On a monthly basis, in accordance with Section 53607 of the Government Code, the Treasurer shall prepare and submit a report listing investment transactions to the General Manager and the Board of Directors.

On a quarterly basis, in accordance with Section 53646 of the Government Code, the Treasurer may prepare and submit a report to the General Manager and the Board of Directors. If rendered, the report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and moneys held by the District, and provide an investment summary by security type, percent of the portfolio, investment yield and the remaining period of investment to maturity.

On an annual basis, in accordance with Section 53646 of the Government Code, an investment policy may be presented to the Board for consideration at a public meeting. In conjunction with the investment policy consideration, the Board shall also annually review the delegation of its authority for the management of investments to the Treasurer.

**Performance
Review And
Internal Control**Office of Internal Audit

The Office of Internal Audit will periodically audit the investment portfolio to evaluate the effectiveness of the District's investment program as well as its compliance with the Investment Policy. These audits will supplement the annual review by the District's external auditors.

Finance Department

The Treasurer has established and maintains an internal control structure designed to ensure that funds covered under this policy are protected from loss, theft, fraud, or misuse.

The Treasurer will review the investment portfolio monthly for compliance with the Investment Policy and make recommendations for changes and improvements where warranted.

Authority

Resolution No. 33019-96 on December 10, 1996
Amended by Resolution No. 33134-99 on January 26, 1999
Amended by Resolution No. 33232-01 on January 9, 2001
Amended by Resolution 33287-02 on January 22, 2002
Amended by Resolution 33350-03 on February 25, 2003
Amended by Resolution 33390-04 on January 27, 2004
Amended by Resolution 33464-05 on February 22, 2005
Amended by Resolution 33516-06 on January 24, 2006
Amended by Resolution 33585-07 on March 13, 2007
Approved by Resolution 33658-08, February 26, 2008
Approved by Resolution 33702-09, February 24, 2009
Approved by Resolution 33752-10, January 26, 2010
Approved by Resolution 33792-10, November 23, 2010
Approved by Resolution 33871-12, April 24, 2012
Approved by Resolution 33920-13, March 26, 2013
Reaffirmed by Motion 056-14, March 25, 2014
Approved by Resolution 34027-15, April 28, 2015
Approved by Resolution 34079-16, April 26, 2016
Approved by Resolution 35033-17, April 25, 2017
Approved by Resolution 35083-18, April 24, 2018
Approved by Resolution 35137-19, April 23, 2019
Approved by Resolution 35174-20, April 28, 2020
Approved by Resolution 35220-21, April 27, 2021
Approved by Resolution 35290-22, May 24, 2022
Approved by Resolution 35346-23, May 23, 2023
Approved by Resolution XXXXX-24, May 28, 2024

References

EBMUD Conflict of Interest Code
Procedure 418 – Gifts, Personal Loans and Personal Benefit Interests
Procedure 447 – Vendor Interactions and Procurement Integrity
Procedure 601 – Conflict of Interest Disqualification Procedure

**EXHIBIT 1
RATING AGENCIES' SCALES**

For purposes of Investment Policy 4.07 the term "Rating Agencies" is defined as: Standard & Poor's Financial Services (S&P), Moody's Investors Service (Moody's), and Fitch Ratings (Fitch).

Ratings requirements are provided using the S&P scale and should be read as "or equivalent" to other Rating Agencies scales. The equivalencies are provided in the tables below.

EXAMPLE

Investment Option 6, Certificates of Time Deposits, shows:

"Minimum Rating: AA- by at least one Rating Agency"

This requirement should be read as:

"Minimum Rating: AA- *or equivalent* by at least one Rating Agency."

To determine the equivalent rating in the table below, find the AA- rating under the S&P column and read across the row to find the Moody's equivalent rating of Aa3 and the Fitch equivalent rating of AA-. Accordingly, a Certificate of Time Deposit is equivalent as an investment if it is rated AA- by S&P, Aa3 by Moody's, or AA- by Fitch.

INVESTMENT-GRADE RATING SCALES

LONG-TERM DEBT		
S&P	MOODY'S	FITCH
AAA	Aaa	AAA
AA+	Aa1	AA+
AA	Aa2	AA
AA-	Aa3	AA-
←Minimum rating required for District investments		
A+	A1	A+
A	A2	A
A-	A3	A-
BBB+	Baa1	BBB+
BBB	Baa2	BBB
BBB-	Baa3	BBB-

SHORT-TERM DEBT		
S&P	MOODY'S	FITCH
A-1+	P-1	F1+
←Minimum rating required for District investments		
A-1	-	F1
A-2	P-2	F2
A-3	P-3	F3

MONEY MARKET FUNDS		
S&P	MOODY'S	FITCH
AAAm	Aaa-mf	AAAf
←Minimum rating required for District investments		
AAm	Aa-mf	AAf
Am	A-mf	Af
BBBm	Baa-mf	BBBf

STABLE NAV LGIPs		
S&P	MOODY'S	FITCH
AAAm	Aaa-mf	AAAf
AAm	Aa-mf	AAf
Am	A-mf	Af
BBBm	Baa-mf	BBBf

←Minimum rating required for District investments

FLOATING NAV LGIPs		
S&P	MOODY'S	FITCH
AAAf	Aaa-mf	AAAf
AAf	Aa-mf	AAf
Af	A-mf	Af
BBBf	Baa-mf	BBBf

←Minimum rating required for District investments

EXHIBIT 2
East Bay Municipal Utility District
Certification of Compliance with Investment Policy

The East Bay Municipal Utility District (the District), under Policy 4.07 (the Investment Policy), requires that securities trading and placement of funds be conducted only with eligible Purchasing Entities. The Investment Policy also specifies that the District must obtain written certification that eligible Purchasing Entities have read, understood, and agree to comply with the Investment Policy, where applicable. This certification is necessary to be included on an approved list of Purchasing Entities that are eligible to conduct investment transactions with the District. The District has no obligation to enter into securities trading and/or placement of funds transactions with any or all Purchasing Entities on the list. The District retains the sole and exclusive discretion to determine with which of the Purchasing Entities, if any, to engage in individual investment transactions. Eligibility may be revoked at any time, at the District's sole discretion, for any reason, including but not limited to, failure to meet the requirements of the policy and this exhibit.

Please complete the sections below, sign and return this completed form if you wish to be considered for inclusion on the approved list of Purchasing Entities eligible to conduct investment transactions with the District. Please send completed form:

via mail, to:
Steven Goodman-Leibof
East Bay Municipal Utility District
375 11th Street, MS809
Oakland, CA 94607

and electronically, to:
steven.goodman-leibof@ebmud.com

A. Entity Name _____

- B.** My entity is a: (choose all that apply, **at least one must be checked for eligibility**)
- Primary Dealer as designated by the Federal Reserve Bank of New York
 - National or California State Chartered Bank
 - Federal or California Chartered Savings Institution
 - Broker-Dealer registered with the State of California

AND

I certify that my entity is: (**both must be checked for eligibility**)

- registered by the Securities and Exchange Commission (SEC)
- a member in good standing of the Financial Industry Regulatory Authority (FINRA)

- C.** My entity is an:
- issuer of securities eligible for purchase by the District

- D.** My entity:
- participates in the District's Contract Equity Program

- E.** I have provided:
- Audited Financial Statements

I certify that I have read, understood, and agree to comply where applicable with the District's Investment Policy.

Print Name _____

Sign Name _____

Title _____

Date _____

EXHIBIT 3
East Bay Municipal Utility District
Investment Policy Quick Reference Table

The following is a summary of Investment Options and a few of their requirements. Full details on each Investment Option can be found in the main body of the Investment Policy on pages 2 through 5.

Investment Option	Maximum Share of Portfolio	Minimum Rating at purchase	Maximum Maturity at settlement	Additional Limitations
United States Treasury Obligations	100%	n/a	5 years	see page 2, Item 1
United States Government Agencies Obligations	100%	n/a	5 years	see page 3, Item 2
State of California, Local Agency Investment Fund	per Government Code	n/a	n/a	see page 3, Item 3
Local Government Investment Pools - Stable Net Asset Value	40%	AAAm	n/a	see page 4, Item 4
Local Government Investment Pools - Floating Net Asset Value		AA-f		
Money Market Mutual Funds	20%	AAAm	n/a	see page 3, Item 5
Certificates of Time Deposit	20%	AA-	1 year	see page 3-4, Item 6
Negotiable Certificates of Deposit		AA-	5 years	see page 4, Item 7
Commercial Paper	20%	A-1+	270 days	see page 4, Item 9
Medium Term Corporate Notes	20%	AA-	5 years	see page 4, Item 9
Repurchase Agreements	20%	n/a	270 days	see page 5, Item 10
Municipal Obligations	20%	AA-	5 years	see page 5, Item 11

EXHIBIT 4
Glossary of Investment Terms Used in the Policy

This Glossary is for informational purposes only and is not intended to modify any of the terms of this Investment Policy, the Government Code, or the M.U.D. Act.

AVERAGE MATURITY	A calculation that expresses the average maturity of an investment portfolio using each investment's maturity weighted by the size of that investment in the portfolio.
BROKER	A broker brings buyers and sellers together and is compensated for his/her service.
CERTIFICATE OF DEPOSIT (CD)	A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CDs are typically negotiable.
COLLATERAL	Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.
COMMERCIAL PAPER (CP)	Short-term unsecured promissory notes.
CUSTODIAN	A bank or other financial institution that keeps custody of stock certificates and other assets.
DEALER	A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.
DELIVERY VS. PAYMENT (DVP)	Delivery of securities with a simultaneous exchange of money for the securities.
DIVERSIFICATION	An investment principle designed to spread the risk in a portfolio by dividing investments among different sectors, industries and companies.
GOVERNMENT SECURITIES	Obligations of the U.S. Government and its agencies and instrumentalities.
INTEREST	The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.
LIQUIDITY	The speed and ease with which an investment can be converted to cash.
MATURITY	The date upon which the principal or stated value of an investment becomes due and payable.
MEDIUM TERM NOTES (MTN)	Debt securities issued by a corporation or depository institution with a remaining maturity ranging from nine months to five years.
MONEY MARKET MUTUAL FUNDS	An investment company that pools money from investors and invest in a variety of short-term money market instruments.
NET ASSET VALUE (NAV)	A per-share valuation of a mutual fund based on total assets minus total liabilities.
PRIMARY DEALER	A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight.
PRINCIPAL	The face value or par value of an investment.
RATE OF RETURN	The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.
RISK (INVESTMENT RISK)	The probability that an actual investment return outcome will differ from an expected return outcome.
RISK-ADJUSTED RETURN	The return on investment relative to the amount of risk taken over a given period of time (e.g. if two or more investments have the same return over a given time period, the one that has the lowest risk will

	have the better risk-adjusted return).
REPURCHASE AGREEMENT	The purchase of securities, on a temporary basis, with the seller's simultaneous agreement to repurchase the securities back at a later date at a specified price that includes interest for the buyer's holding period.
SAFEKEEPING	Storage and protection of a customer's financial assets, valuables, or documents, provided as a service by an institution serving as Agent or Custodian and, where control is delegated by the customer.
SECONDARY MARKET	A market made for the purchase and sale of outstanding issues following the initial distribution.
SETTLEMENT DATE	The date when the security is delivered in exchange for the corresponding payment.
TREASURY BILLS	A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.
TREASURY BONDS	Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years from date of issue.
TREASURY NOTES	Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years from date of issue.
U. S. GOVERNMENT AGENCY SECURITIES	Debt securities issued by U.S. Government sponsored enterprises and federally related institutions.
U.S. TREASURY SECURITIES	Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States.
YIELD	The annual rate of return on a debt investment expressed as a percentage.