RESOLUTION NO. 2004-5
RESOLUTION OF THE BOARD OF DIRECTORS
OF THE ARMONA COMMUNITY SERVICES DISTRICT
APPROVING INVESTMENT POLICY

The Board of Directors of the Armona Community Services District does hereby find:

WHEREAS, the Armona Community Services District ("District") is a California community services district formed and existing under and by virtue of the provisions of the Community Services District Law, codified at California Government Code §§ 61000-61800, inclusive, together with all acts, laws and decisions of courts amendatory thereof or supplementary thereto, and possessing all of the powers, both necessary and implied, to give full meaning and effect thereto; and

WHEREAS, said Law provides, at Government Code § 61622, that the District has the power generally to perform all acts necessary to carry out fully the provisions thereof; and

WHEREAS, said Law further provides, at Government Code § 61621, that the District may provide for the collection of charges for the services and facilities provided by the District; and

WHEREAS, said Law further provides, at Government Code § 61621.5, that the District may by ordinance adopt regulations binding upon all persons to govern the construction and use of its facility and property, including regulations imposing reasonable charges for the use thereof; and

WHEREAS, the District has heretofore, in the exercise of said powers, imposed such rates and charges; and

WHEREAS, the District receives and manages the revenue therefrom, together with other moneys received by the District; and

WHEREAS, to guide in the management of said funds, the Board has determined that it is in the best interests of the District to adopt a statement of investment policy.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ARMONA COMMUNITY SERVICES DISTRICT, as follows:

The District hereby adopts the following Statement of Investment Policy.

STATEMENT OF INVESTMENT POLICY
Armona Community Services District ("District")

In accordance with state law, the District is guided by three objectives in its investment of public funds. The first objective is to safeguard principal. The second objective is to ensure that investments satisfy the liquidity needs of the District, and the third objective is obtain a return on the

public funds invested.

Therefore, it is the policy of the Board of Directors, and the District Treasurer is hereby instructed, to invest all District funds only in the place and manner specified in Government Code Sections 53601 and 53635.

Further, when depositing/investing District funds as provided above, the District Treasurer is directed to deposit those funds with the objective of realizing the maximum return possible, consistent with prudent financial management. The District Treasurer may make no investment with a term in excess of five years without express authority from the Board.

The District Treasurer shall make a quarterly investment report to the Board of Directors. The report shall be submitted to the Board of Directors within 30 days of the end of each quarter. Each report shall include the most recent financial statements from each District investment and shall be consistent with all applicable reporting requirements established by law. In addition, each report shall include statements regarding:

1. Whether the District's investments are in compliance with this Statement of Investment Policy, and if not, why; and

2. The ability of the District to meet its expenditure requirements for the next six months, or an explanation as to why sufficient money shall or may not be available; and

3. Any other information or data requested by the Board of Directors.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Armona Community Services District on 12-8, 2004, by the following vote:

AYES: Maciel, Plooy, Bittner, Franco, Danielson
NOES: None
ABSENT: None
ABSTAIN: None

ED BITTNER, Chairman of the
Board of Directors

ATTEST:

JAMES MACIEL, SECRETARY

CERTIFICATE OF SECRETARY

I, James Maciel, the duly appointed and acting Secretary of the Board of Directors of the Armona Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Armona Community Services District, duly held at Armona, California, on 12/8, 2004.

DATED: 12/8, 2004.

James Maciel
JAMES MACIEL, SECRETARY

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