

**ACTON MUNICIPAL UTILITY DISTRICT
GRANBURY, TEXAS**

REQUEST FOR PROPOSALS

for

BANK DEPOSITORY SERVICES



**6420 LUSK BRANCH COURT
GRANBURY, TEXAS 76049**

**REQUEST FOR PROPOSALS
BANK DEPOSITORY SERVICES
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OTHER ATTACHMENTS TO RFP:

(ALL ATTACHMENTS ARE IN EXCEL WORKSHEET XLSX FORMAT)

- PROPOSAL FORM (*BANK PROPOSAL FORM FY2021.XLSX*)
- ACCOUNT AVERAGES (GENERAL AND PAYROLL FUNDS)
FY2016 – FY2021-YTD ANALYSIS (*AMUD ACCOUNT AVERAGES.XLSX*)

*NOTE: ALL DEPOSITORY RFP DOCUMENTS LISTED ARE AVAILABLE ON THE AMUD WEBSITE
[HTTPS://WWW.AMUD.COM](https://www.amud.com)*

INTRODUCTION

Acton Municipal Utility District is requesting proposals from eligible financial institutions to be designated as depository for the District. This includes the basic services of receiving deposits, paying items, processing drafts, wiring funds, stop payments, and other business banking activities. This agreement will not cover any investment transaction activities, as the District plans to manage its own investment portfolio per its Investment Policy (copy attached).

Acton Municipal Utility District is a governmental agency - political subdivision established in 1982 to provide potable water and wastewater services to DeCordova Bend Estates, Pecan Plantation, Acton and Indian Harbor sub-divisions.

Today, in addition to the areas mentioned, AMUD provides services to the Acton area, Fall Creek Highway, North Gate Road, James Road, Highway 4 as well as various other sub-divisions. The District has approximately 8,500 water and 4,500 sewer customers.

Revenues are derived from water and sewer rates, new service connections and from tax revenues that support tax bonds. Budgeted revenues for Fiscal Year 2021 (October 1, 2020 - September 30, 2021) is expected to be \$10.88 million compared to budgeted revenues for Fiscal Year 2020 of \$10.89 million.

The philosophy incorporated into this Request for Proposal (RFP) is to solicit comparable market charges for services provided and to pay for all services provided by the Bank. AMUD also places importance on the interest paid on daily deposits above any minimum requirements.

The contract period shall be three years beginning July 1, 2021, and thereafter until the successor depository shall have been duly selected and qualified according to state laws with an option to extend the contract for two additional one-year periods if agreeable to both the Bank and the District. The Depository contract shall provide that the District reserves the right to cancel any agreement, at any time, upon sixty (60) days prior written notice of its intent to terminate any agreement.

At the outset, the District wishes to communicate the primary objectives of the depository agreement, an important component of the overall treasury and debt management program of AMUD:

- To find a bank that is both capable of providing banking services and willing to be attentive to the District's money matters;
- To maximize the total dollars earned by the District on account balances to be prudent and effective custodians of financial resources;
- To maintain a good working relationship with the depository Bank;
- To adequately compensate the depository Bank for services provided and to allow a reasonable profit to be earned, subject to competitive forces in the marketplace.

Within this RFP are many statements as to the desire of the District regarding certain areas of banking services. It should be emphasized that the specifications on the official proposal form (Excel worksheet) represent a preferred level of service from the District's perspective. Proposers are instructed to clearly note on the official proposal form any exceptions or alternatives to the specifications.

Clarifying information is required on all proposed exceptions or alternatives and should be provided as an addendum to the official proposal form. The language used should not be construed to preclude a proposer from presenting alternative features to the ones stated, either in terms of providing improved service to the District, or more acceptable conditions to the Bank.

All listed and described alternatives will be evaluated by the District. All points outlined and materials requested should be incorporated into the proposer's reply to be considered for evaluation.

CALENDAR OF EVENTS

<u>TARGET DATE</u>	<u>DESCRIPTION</u>
May 29 and June 2, 2021	Advertise the Bank Depository RFP notice in the newspaper.
May 28, 2021	RFP available to prospective financial institutions.
June 2, 2021	Host a bidder's conference at 11:00 a.m. at AMUD office to review RFP and answer questions.
June 9, 2021	Receive proposals from interested financial institutions no later than 1:00 p.m. at AMUD office.
June 10, 2021	Review proposals and discuss recommendations with Staff and Finance Committee.
June 16, 2021	Board presentation for the award of the contract.
June 16, 2021	Board approves and signs all agreements.
June 16, 2021	Notify all bidders of results.
June 16, 2021	Begin implementation of changing to new bank (if needed).
July 1, 2021	New bank depository contract period begins.

CRITERIA FOR EVALUATION

The District staff shall review the submitted proposals carefully. The recommendations shall be based on the proposal determined to be in the best interest of the District. The following areas are listed as an indication of what will be considered in the evaluation of the proposals:

- Ability of the proposer to perform the requested services in the RFP;
- Ability to meet the legal qualifications and the terms and conditions specified in the RFP;
- Cost of the proposed banking services, and the cost of conversion and implementation of banking services;
- Proximity of banking facility to the AMUD office as it relates to impact on District employees making daily deposits;
- Financial condition of the proposer;
- Effective rates paid on the District's bank accounts;
- Experience and success in providing banking services to governmental entities in Texas;
- Quality of all reports requested;
- Ability to provide sufficient collateral for the deposits;
- Securities clearance and safekeeping procedures;
- Cybersecurity protocols for the depository and customer access (2 step verification, etc.);
- Ability to provide the District with effective and innovative cash management services; and
- Completeness of the proposal form and submission of the required information.

GENERAL CONDITIONS

- Proposer must fill in all information asked for in the blanks provided under each item. Failure to comply may result in rejection of the Proposal at the District's option.
- The District reserves the right to reject any or all proposals or to waive technicalities at its option when in the best interests of said District.
- Proposals deposited with the District cannot be withdrawn prior to the time set for opening proposals. Request for non-consideration of proposals must be made in writing to the Comptroller and received by the District prior to the time set for opening proposals. After other proposals are opened and publicly read, the Proposal for which non-consideration is properly requested may be returned unopened. The Proposal may not be withdrawn after the proposals have been opened. The Proposer, in submitting the same, warrants and guarantees that this proposal has been carefully reviewed and checked and that it is in all things true and accurate and free of mistakes and that such proposal will not and cannot be withdrawn because of any mistake committed by the Proposer.
- After proposal's are opened and publicly read, the proposals will be tabulated for comparison on the basis of the proposal prices and quantities shown in the Proposal. Until final award of the Contract, the District reserves the right to reject any or all proposals, to waive technicalities, and to re-advertise for new proposals, as determined to be in the best interests of the District.
- Proposals will be considered irregular if they show any omissions, alteration of form, additions, or conditions not called for. However, the District reserves the right to waive any irregularities and to make the award in the best interests of the District.
- The District reserves the right to reject any or all proposals, and all proposals submitted are subject to this reservation. Proposals may be rejected, among other reasons, for any of the following specific reasons:
 1. Proposals received after the time limit for receiving proposals as stated in the advertisement.
 2. Proposal containing any irregularities or missing requested information.
 3. Unbalanced value of any items.
- Proposers may be disqualified, and their proposals not considered, among other reasons, for any of the following specific reasons:
 1. Reason for believing collusion exists among the Proposers.
 2. Reasonable grounds for believing that any Proposer is interested in more than one Proposal for the work contemplated.
 3. The Proposer being in arrears on any existing contract or having defaulted on a previous contract.
 4. Lack of competency as revealed by a financial statement, experience and equipment, questionnaires, etc.
 5. Uncompleted work, which in the judgment of the District will prevent or hinder the prompt completion of additional work if awarded.

DISTRICT ACCOUNT INFORMATION

The District intends to initially establish the following bank accounts. Other accounts may be established as needed during the term of the contract. All accounts shall be interest bearing. The District requires two signatures on all checks. Averages of account information included in electronic format (Excel worksheet).

<u>Account Name</u>	<u>Type</u>
General Fund	Demand Deposit Account - Average Balance \$500,000 (Master Account) (Account Reconciliation Product).
Payroll	\$30,000 Balance Twenty-seven employees – Currently twenty-six employees using ACH (Account Reconciliation Product).
Tax Fund	Balance varies with tax collections and bond payments. (Account Reconciliation Product).
Defined Area	Balance varies with tax collections and bond payments. (Account Reconciliation Product).
UTGCD	Average balance \$10,000 (Account Reconciliation Product).
TWDB	Average balance \$55,000 (Account Reconciliation Product).

The General Fund Account will constitute almost all of the District's banking business. Intra-bank transfers to reimburse money to other District accounts and most wire transactions will occur in this account. One check stock will be clearing through the account. Full reconciliation service will be required.

The Payroll Account will clear only personnel related checks and tax deposits for the District. Weekly transfers from the operating account to the payroll account will be used to fund checks and maintain the balance at \$10,000. One check stock will be clearing through the account. ACH deposits to employee accounts in other banks will be required. Full reconciliation service will be required.

The Tax Fund Account will receive tax deposits and clear expenses related to delinquent tax collection. These funds are collected year round with the bulk of deposits occurring in November, December and January. Full reconciliation service will be required.

The Defined Area Tax Fund Account will receive tax deposits and clear expenses related to tax collection. These funds are collected year round with the bulk of deposits occurring in November, December and January. Full reconciliation service will be required.

The AMUD UTGCD Account will be used to accumulate and remit pass-through fees of the Upper Trinity Groundwater Conservation District (UTGCD). These fees are collected monthly and remitted quarterly.

The AMUD TWDB Account will be used to accumulate and remit principal and interest payments to the Texas Water Development Board (TWDB) in accordance with TWDB funding requirements.

BANKING SERVICES AND DISTRICT REQUIREMENTS

Banking services to be provided are listed on the Proposal Form, along with estimated monthly uses. The following identifies and discusses the services to be provided and the requirements to be met.

Please attach copies of reports and separate agreements that apply to each service, if applicable.

- A. **Reporting System.** The District requires an online balance reporting system which will provide information reporting services to include but not limited to:
 - 1. Previous Day Balance Report
 - 2. Current Day Balance Report
 - 3. Debit and Credit Detail
 - 4. Stop Payment Status Report
- B. **Process Services.** Processing of all deposited items on checks, drafts and cash to include encoding services, credit and debit advices given to the District within three business days of the debit or credit, clearing returned items twice, and return of stamped duplicate deposit slips to the District within three business days of the deposit.
- C. **ACH Services.** Payroll.
- D. **General Fund.** Several customers pay by ACH payment directly to the AMUD bank account. Some transfers to and from investment accounts are sent and received by ACH or wire transfer.
- E. **Payroll ACH File.** Payroll direct deposit file is transmitted to the bank every Wednesday for payment on Friday. We currently have twenty-six (26) employees utilizing ACH direct deposit.
- F. **General Wire Transfer Services.** General wire transfer services for repetitive and non-repetitive wires. Please indicate whether a customer direct-link via PC or the Internet to allow initiation of wire transfers is available.
- G. **Credit Card Processing.** The District allows its customers to pay for services using Visa, Mastercard and Discover credit cards. The responding banks should propose a competitive discount rate to the District as well as a fee schedule for direct fees in lieu of a discount rate . The number of transactions monthly is relatively small.
- H. **Account Reconciliation Services**
- I. **Bank Statements.** Bank statements on all accounts shall be addressed as follows: Acton Municipal Utility District, Name of Account, 6420 Lusk Branch Court, Granbury, TX 76049 and rendered within five (5) working days after the close of the calendar month. Statements shall include deposits made on the last day of the period. Account statements should include checks, drafts and debit/credit advices. Along with the bank statements the District requires a report reflecting all items paid in serial number sequence, which is balanced to the bank statement (partial account reconciliation) and the ability to download statement transactions in a CVS or Excel or similar electronic format.

BANKING SERVICES AND DISTRICT REQUIREMENTS (Continued)

- J. **Check Imaging.** The bank shall provide to the District, on a monthly basis, imaging of all cleared checks on either electronically or on CD-ROM as well as proprietary software for retrieval and viewing the check image or facsimile copy. The bank shall safekeep actual checks for a period of time.

Each responding bank must state the amount of time they routinely safekeep checks and state their capabilities for check imaging. A computer printout of all activities should be available monthly. Each debit or credit item, other than checks, deposits or wire transfers, shall be supported by a written explanation identifying such item.

- K. **Resource Personnel.** The Bank shall identify personnel who are available to answer questions pertaining to transactions, which require detailed explanation and a Banking officers(s) with overall responsibility for the account. Please provide biographies of account officers, cash management sales representatives, and customer service representatives who would be assigned to the account, as well as their back-ups. The Bank shall be responsible for communicating the terms of this contract to Bank employees.

- L. **Account Analysis Statements.** The District intends to pay for all account services provided by the bank as set forth on the Proposal Form. The District shall require account analysis each month with all accounts grouped to obtain maximum credit for balances which shall clearly show volume counts, fees charged, and total prices for servicing the accounts.

The account analysis shall also show average ledger balances, average collected balances, interest rates and earnings credit rate and amounts. Fees charged to the District directly from the bank are not subject to change for the length of this contract. If the District renews the contract under the two-year renewal option, prices may only be raised upon mutual consent by an amount using the local Dallas Metroplex CPI index or another reasonable index previously agreed upon in the Proposal. (Please attach a Sample Account Analysis Statement.)

COLLATERAL REQUIREMENTS

- A. **Securities Pledged.** As security for the deposits of the District, the Bank shall pledge to the District securities equal to or greater than the largest total ledger balances the District maintains in the Bank, less the amount of coverage provided by the Federal Deposit Insurance Corporation (FDIC). (See the attached schedule for balance information.) The average level of collateral required is \$2 million. The securities comprising the pledge shall be 105% of the lower of par or market value. Repurchase Agreements are not acceptable as collateral to the District.

If the market value of the pledged securities falls below of the ledger balances of the total of all the District's accounts at any time, the Bank shall immediately pledge additional securities to the District so that the amount of pledged securities equals or exceeds the District's ledger balance .

The District shall accept the following securities as collateral:

1. A bond, certificate of indebtedness, or Treasury Note of the United States, or other evidence of indebtedness of the United States that is guaranteed as to principal and interest by the United States.
 2. Obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas.
 3. A bond of the State of Texas or of a county, city, and other political subdivisions of the State of Texas having been rated as investment grade (investment rating no less than "A" or its equivalent) by a nationally recognized rating agency with a remaining maturity of 10 years or less.
- B. **Reporting.** The Bank shall provide the District a report of securities pledged at the end of each month or at any time requested by the District. This information will be required annually to coincide with the annual audit of the District's books by outside auditors. This report should reflect the following information at the end of each month:
1. Total pledged securities itemized by:
 2. Name.
 3. Type/description/cusp number.
 4. Par value.
 5. Market value at month end.
 6. Maturity date.
 7. Moody's or Standard and Poor's rating (if applicable).
- C. **Audit.** Collateral may be audited at least annually by the District 's independent auditors and may be audited by the District at any time during normal business hours of the safekeeping bank. The audit of the collateral by the District's independent accountant or the District is to ascertain that Governmental Accounting Standards Board Statement #3 is adhered to and the financial institution is complying accordingly.

COLLATERAL REQUIREMENTS (Continued)

- D. **Safekeeping.** The securities pledged shall be held in safekeeping under the name of the depository Bank and pledged to the District. Safekeeping must be performed by an independent, non-affiliate bank or by the Federal Reserve Bank with a three-party agreement signed.

Please submit a copy of the safekeeping agreement and the name of the trustee bank to be used in the event you are awarded the bank depository contract. The safekeeping agreement shall clearly state that the trustee is instructed to release the collateral to the Acton Municipal Utility District, if the District has determined that the Bank has failed to pay on any accounts, has been closed by a regulatory authority, or is in default of this contract, and if release has been formally requested by the AMUD Board of Directors by resolution.

The safekeeping agreement shall have signatories from the trustee bank, the depository Bank and the Acton Municipal Utility District.

The original copy of all security receipts shall be filed with the Comptroller of the District.

The District shall reimburse the depository Bank for all charges associated with pledged collateral at the fee rate specified by the Bank.

- E. **Substitutions.** Any substitutions of the securities or reductions in the total amount pledged shall be made only by and with the proper written authorization approved by the AMUD Board of Directors or authorized representative. All securities to be pledged are subject to approval by the Acton Municipal Utility District.
- F. **Additional Pledged Collateral.** The AMUD Board of Directors may, by written resolution, require the Bank to pledge additional or other securities at any time the Board considers it advisable or necessary for the protection of the District. If the Bank fails for any reason to pledge the required securities within 5 days after the date the Bank is served with a copy of the resolution, the AMUD Board may select another bank.
- G. **Representations.** The Bank represents to the District:
1. That the Bank is the sole, legal, and actual owner of the securities collateralizing District deposits.
 2. That no other security interest has been, nor will be, granted in the securities collateralizing District deposits.
- H. **Overdrafts.** The District does not intend to have an overdraft position on any of its bank accounts singly or net throughout the course of the depository contract. In the event a check or checks presented for payment on any District account where there exist insufficient funds available for payment, the District will require the depository bank to pay said checks and promptly notify the District Comptroller or said designated representative of the existence of the overdraft situation. The District agrees to cover the overdraft within one business day. The District would expect the depository to view all District accounts together for the purposes of any charges on overdrawn balances.

OTHER STIPULATIONS

- **Right to Cancel Contract.** In the event it would be ruled illegal under the provisions of any Federal Statute or regulation for the Bank to pay interest in the manner outlined in this RFP, then the District expressly reserves the right and privilege to cancel the contract, withdraw the District's funds therefrom, and re-propose the depository services.
- **Periodic Review.** The District may require a review meeting with the Bank periodically to evaluate the working relationship between the District and the Bank. The objective shall be to address any problems or operating procedures and to seek a responsible solution.
- **Extension.** All deposits, time certificates of deposit, or loan services which have not elapsed on the termination date of the finally approved depository contract, shall remain on deposit with the same depository under the same terms and conditions in effect during said contract until the date such services have elapsed.
- **Notices.** The Bank will notify the District in writing within ten (10) days of any changes in Federal or State regulations or laws that would thereafter affect this depository contract. The Bank shall also notify the District of any additional services that become available to the District throughout the contract period.
- **Audit.** The Bank's records relate in to the Acton Municipal Utility District's accounts shall be open to review by either District staff members or District-appointed independent auditors during normal business hours. The Bank's records of District transactions may be considered public records pursuant to the Texas Opens Records Act.
- **Financial Reports.** During the term of this contract, the Bank shall provide to the District each quarterly call report (schedule RC only), each quarterly and annual financial report to the shareholders and any public information concerning changes in the ownership, management or financial position of the Bank or its parent.
- **Merger.** Notwithstanding any other provision of this agreement which may be to the contrary, this agreement and the respective rights and obligations of the parties hereunder shall remain in full force and effect and not otherwise be affected by a merger of the Bank.
- **Applicable Laws.** This contract is governed by the laws of the State of Texas. Venue shall be exclusively in Hood County.
- **Term.** The term of the contract period shall be for three years beginning on (date to be determined), or thereafter until a successor depository has been selected with an option to extend the contract for two additional one-year periods if agreeable to both the Bank and the District.
- **Conflict of Interest.** The Bank agrees that during the contract period that the Bank and any of its associates and employees will have no interest nor acquire any interest, either direct or indirect, which will conflict in any manner with the performance of the services called for under the final contract.
- **Errors.** Bank errors resulting in lost interest to the District will be reimbursed by the Bank to the District at the amount that would have been earned had the error not occurred.

TEXAS ETHICS REQUIREMENTS

(Only applies to the winning bidder)

The Texas Legislature adopted House Bill 1295, which added Section 2252.908 of the Government Code. The law states that a government entity may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity. The disclosure of interested parties will be submitted online via Form 1295 and must be submitted to the governmental entity prior to any signed contract.

The law applies only to a contract between a governmental entity or state agency and a business entity at the time it is voted on by the governing body or at the time it binds the governmental entity or state agency, or whichever is earlier, including an amended, extended, or renewed contract, of a governmental entity or state agency that either:

- requires an action or vote by the governing body of the entity or agency before the contract may be signed; or
- has a value of at least \$1 million, or
- is for services that would require a person to register as a lobbyist under Chapter 305 of the government Code.

Gov't Code § 2252.908; 1 T.A.C. §§ 46.1(b), 46.3(a). The disclosure requirement applies to a contract entered into on or after January 1, 2016.

Filing Process:

1. Prior to award by City Council, bidder will be required to log in to the Texas Ethics Commission, https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm and fill out the Electronic Filing Application.
2. Once submitted, the system will generate an electronic Form 1295 displaying a "Certificate Number." Bidder must print, sign Form 1295.
3. Within ten (10) business days from notification of pending award by the Lake Worth Purchasing Department, the completed Form 1295 must be submitted to the City of Lake Worth.
4. Bidder will need to repeat this process and obtain a separate Form 1295 each time you enter into a new contract, renew a contract or make modification and/or amendments to a Lake Worth contract.

Instructions and information are available at <https://ethics.state.tx.us/1295-info.htm> or you may call the Texas Ethics Commission at (512) 462-5800.

BY SIGNING ON THE "COMPLIANCE PAGE"
BIDDER AGREES TO ADHERE TO HB 1295 REFERENCED ABOVE.

COMPLIANCE WITH FEDERAL AND STATE LAWS

CERTIFICATION OF ELIGIBILITY

By submitting a bid in response to this solicitation, the bidder certifies that at the time of submission, they are not on the Federal Government’s list of suspended, ineligible, or debarred entities.

In the event of placement on the list between the time of bid submission and time of award, the Bidder will notify the Lake Worth Purchasing Coordinator. Failure to do so may result in terminating the contract for default.

RELATING TO STATE CONTRACT WITH AND INVESTMENTS IN COMPANIES THAT BOYCOTT ISRAEL

Effective September 1, 2017, Contractor/Vendor verifies that it/he/she does not boycott Israel and will not boycott Israel during the term of this contract. The term “boycott Israel is defined by Texas Government Code Section 808.001, effective September 1, 2017.

DISCLOSURE OF INTERESTED PARTIES

By submitting a bid in response to this solicitation, the bidder agrees to comply with HB 1295, Government Code 2252.908. Bidder agrees to provide Lake Worth Purchasing Coordinator, and/or requesting department, the “Certificate of Interested Parties,” Form 1295 as required, within ten (10) business days from notification of pending award, renewal, amended or extended contract.

Visit https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm for more information.

Signature X _____
Authorized Representative

Title: _____

Date: _____

This Form Must Be Signed.

The Original with Original Signature and One (1) Copy Must Be Returned with Bid.

PROPOSAL INSTRUCTIONS/REQUIREMENTS

- A. Sealed proposals clearly marked "Depository Applications" shall be delivered to the AMUD office 1:00 p.m., June 9, 2021:

**ACTON MUNICIPAL UTILITY DISTRICT BANK BID
6420 LUSK BRANCH COURT, GRANBURY, TEXAS 76049**

- B. **NO PROPOSAL SHALL BE RECEIVED AFTER 1:00 P.M. AND SHALL BE RETURNED UNOPENED.**
- C. The proposing bank shall use this RFP form and enclosures as the OFFICIAL PROPOSAL FORM to submit rates and to answer questions. Any alterations, changes or deletions to this RFP shall be grounds for the District to disregard and reject the RFP. Any service which does not have a fee indicated on the Proposal Form will be considered to be free of charge in the Depository Bank contract.
- D. The District reserves the right to request additional information or to meet with representatives from proposing organizations to discuss points in the proposal before and after submission, any and all of which may be used in forming a recommendation.
- E. The District reserves the right to reject any and all proposals, to waive any non-material irregularities in any RFP, and to accept or reject any item or combination of items.
- F. The final appointment of a Depository Bank shall be made by the AMUD Board of Directors. The proposer may be required to enter into a contract which incorporates all of the obligatory points in this RFP. Otherwise, a resold union shall be adopted accepting the bank's completed RFP as the OFFICIAL PROPOSAL FORM with accompanying related schedules and materials called for in this RFP.
- G. This Request for Proposal for a Depository Bank has been duly advertised and is being offered for consideration to banking institutions chartered under laws of the United States or of the State of Texas.
- H. If a service requirement cannot be met by a proposer, then the term "No Proposal " should be entered on the Proposal Form for that specific requirement. In the case of a "No Proposal" response, the proposer may offer an alternative equivalent service for the District 's consideration. Responsiveness to the service requirements will be a major part of the selection criteria.
- I. All costs incurred by the proposer in responding to the RFP shall be the responsibility of the proposer.
- J. Upon being awarded the contract, the Depository Bank shall designate an individual to be the official contact person for all correspondence. The Acton Municipal Utility District official contact person will be Mr. Bob Evert, Comptroller. If you have any questions regarding this RFP, please address them to Mr. Evert at (817) 326-4720 or rjevart@amud.com. The bank shall be responsible for training and communicating the terms of this contract to bank employers.
- K. The successful proposer may not assign their rights and duties under this award without the written consent of the AMUD General Manager. Such consent will not relieve the assignor of liability in the event of default by their assignee.

SUBMISSION CHECKLIST

- A. Proposal Form (Excel worksheet) with fill-in-the-blank format and include an additional attachment with answers to Other Pricing Considerations – signed and dated.
- B. Sample bank statement.
- C. Sample partial account reconciliation statement.
- D. Availability of funds schedule with a clear explanation of deadlines.
- E. Money Market Fund prospectus if applicable.
- F. Sample pledged collateral report.
- G. Sample safekeeping agreement for collateral.
- H. Sample safekeeping agreement with the Depository Bank for the District's investment securities.
- I. Sample wire transfer and ACH transaction agreements.
- J. Sample stop payment agreement.
- K. Check clearing and availability schedule.
- L. Sample account analysis statement.
- M. Statement as to the Bank's policy regarding AMUD's two signature requirement.
- N. Sample of funds transfer agreement.
- O. Most recent audited annual financial statement of the bank along with the last two quarterly FDIC call reports.
- P. Sample credit card/debit card services agreement.
- Q. Proposed Depository Bank Contract.
- R. Attach information about on-line access to the securities clearance department, i.e. software utilized and parameters of usage.
- S. Attach procedures to set-up and change repetitive wires.
- T. Cybersecurity protocol information.
- U. Investment policy acknowledgement.
- V. Ethics Form 1295 and Compliance with Federal and State laws (pg. 12) – winning bidder.

OTHER PRICING CONSIDERATIONS - Please submit answers for the following questions:

1. The District expects to receive the best availability of funds available to an institutional client of the bank. Attach the bank's availability schedule and an explanation of funds credit. List any ways the District could periodically achieve better availability of funds. List all time deadlines clearly.
2. Please provide a detailed explanation of the bank's policy and methodology used in the setting of the earnings credit rate. Provide a schedule of the earnings credit rates offered by the bank since January 1, 2021. Does the bank offer a fixed rate of interest if the District agrees to maintain a specified collected balance? Any other options/alternatives to be presented.
3. List minimum ledger and collected balances required to earn interest. List the number of maximum transactions that may occur in the checking and savings accounts.
4. Does the bank offer any type of sweep account where excess District funds could be invested at a higher rate than in the checking account? Does the bank have money market funds consisting of treasuries, agencies, prime commercial paper, and prime domestic banker's acceptances that the District could utilize daily as an investment alternative? If so, please explain the fund's parameters and interest earnings history and attach any applicable prospectus and summary of securities held.
5. How does the Bank plan to handle AMUD's requirement for two (2) signatures on all checks?
6. The District intends to deposit all revenues directly to the Depository Bank. If item processing discovers an error in the deposit, then the District requires a credit or debit advice to be mailed to the District immediately after the account has been adjusted with appropriate documentation attached to justify the correction. Appropriate documentation is considered to be a copy of the District's tape with the item in question marked and a copy of the check in question. State any other procedure for deposits that the bank would recommend or require. State the bank's procedure for handling a deposit lost by the bank.
7. The ACTON MUNICIPAL UTILITY DISTRICT requires that all checks presented, that have not had stop payments placed on them, must be funded automatically. Please describe the bank's overdraft policy to assure payment on these checks in the event that funding has not yet been credited. Note that the District also has a 90 day expiration (Void) listed on each AP check.
8. The ACTON MUNICIPAL UTILITY DISTRICT frequently initiates, via terminal, time sensitive wire transfers that must be received by the beneficiary by a certain time of day. Please describe the bank's daylight overdraft policy with respect to such transfers where the funding for the transfer has not yet been credited. What is the bank's internal review and approval process for releasing such transfers? List deadlines for processing of wire transfers.
9. Does the bank have an established maximum dollar value limit that may not be exceeded by an individual check or wire? Are there any other restrictions regarding individual check or wire amounts?
10. How long are stop payment orders effective? Does the bank offer automated stop payment including confirmations over a bank link system?

OTHER PRICING CONSIDERATIONS (Continued)

11. The District may have ACH debit and credit transactions in addition to the automated payroll deposit services. Does the bank have a service that allows the District to specify certain parameters under which the transactions would be either accepted or blocked? If so, please describe the service, list charges and attach a sample agreement. How many days in advance of the ACH date does the bank require file transfer and notification? Payroll is weekly on Friday.
12. State whether the bank offers or requires a check fraud control service. If “yes”, please describe and list charges.
13. Describe any other cash management or banking services that could be offered to the District. List all charges that apply.
14. List the maximum amount of collateral the bank would pledge to the District.
15. Please describe any credit card payment option the bank could offer the District. List all charges and relevant information about equipment, availability of funds and any supplies needed. Attach any credit card agreement in keeping with the intent of the depository contract that the District would be asked to sign.
16. AMUD currently bills four (4) times per month. Bank Drafts are generated during the billings. Please list any charges and relevant information including requirements for equipment, transfer of draft batches to the bank, availability of funds, etc.
17. Does the bank have any significant problems noted by regulatory agencies in the past 24 months? If “yes”, please explain. Indicate the bank’s capital to assets and return on assets ratios for the last three years.
18. Please describe the process by which service problems can be resolved. What person or organizational unit is available for complaint or problem resolution?
19. Please list other public funds customers in Texas that the bank currently serves as a Depository.
20. We have read the Investment Policy of Acton Municipal Utility District and do not find any conditions that the Bank cannot fulfill except as noted and submitted.

Please include answers to the above questions with the Proposal Form.

Additionally, the representative’s signature, printed name, title and date should be included at the end of all answers submitted.

APPENDIX

ACTON MUNICIPAL UTILITY DISTRICT INVESTMENT POLICY



6420 LUSK BRANCH COURT
GRANBURY, TEXAS 76049

INVESTMENT POLICY

I. POLICY

It is the policy of the Acton Municipal Utility District (District) that after allowing for the anticipated cash flow requirements of the District and giving due consideration to the safety and risk of investment, all available funds shall be invested in conformance with these legal and administrative guidelines, seeking to optimize interest earnings to the maximum extent possible.

Effective cash management is recognized as essential to good fiscal management. Investment interest is a source of revenue to District funds. The District's investment portfolio shall be designed and managed in a manner designed to maximize this revenue source, to be responsive to public trust, and to be in compliance with legal requirements and limitations. Investments shall be made with the primary objectives of:

- * **Safety** and preservation of principal
- * Maintenance of sufficient **liquidity** to meet operating needs
- * Optimization of **interest earnings** on the portfolio

II. PURPOSE

The purpose of this investment policy is to provide for an investment strategy and comply with other requirements and Chapter 2256 of the Government Code ("Public Funds Investment Act"), which require each District to adopt a written investment policy regarding the investment of its funds and funds under its control. The Investment Policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the District's funds.

III. SCOPE

This Investment Policy shall govern the investment of all financial assets of the District. These funds are accounted for in the District's Annual Financial Audit and include:

- General Operating Funds
- Special Revenue Funds
- Capital Projects Funds
- Debt Service Funds, including reserves and sinking funds, to the extent not required by law or existing contract to be kept segregated and managed separately
- Any new fund created by the District, unless specifically exempted from this Policy by the Board of Directors (Board) or by law.

This Investment Policy shall apply to all transactions involving the financial assets and related activity for all the foregoing funds. However, this policy does not apply to the assets administered for the benefit of the District by outside agencies under deferred compensation programs.

IV. INVESTMENT OBJECTIVES

The District shall manage and invest its cash with four primary objectives, listed in order of priority: **safety, liquidity, public trust, and yield, expressed as optimization of interest earnings.** The safety of the principal invested always remains the primary objective. All investments shall be designed and managed in a manner responsive to the public trust and consistent with state and local law.

The District shall maintain a comprehensive cash management program, which includes collection of account receivables, vendor payments in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing monies in order to insure maximum cash availability and maximum earnings on short-term investment of idle cash.

Safety [PFIA 2256.005(b)(2)]

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit and interest rate risk.

- Credit Risk – The District will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment, by:
 - Limiting investments to the safest types of investments
 - Pre-qualifying the financial institutions and broker/dealers with which the District will do business
 - Diversifying the investment portfolio so that potential losses on individual issuers will be minimized.

- Interest Rate Risk – the District will minimize the risk that the interest earnings and the market value of investments in the portfolio will fall due to changes in general interest rates, by:
 - Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity.
 - Investing operating funds primarily in certificates of deposit, shorter-term securities, money market mutual funds, or local government investment pools functioning as money market mutual funds.
 - Diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

Liquidity [PFIA 2256.005(b)(2)]

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated in the next 180 days. This is accomplished by structuring the portfolio so that investments mature concurrent with cash needs to meet anticipated demands. Because all possible cash demands cannot be anticipated, a portion of the portfolio will be invested in shares of money market mutual funds or local government investment pools that offer same-day liquidity. In addition, a portion of the portfolio may consist of securities with active secondary or resale markets.

Public Trust

All participants in the District's investment process shall seek to act responsibly as custodians of the public trust. Investment officers shall avoid any transaction that might impair public confidence in the District's ability to govern effectively.

Yield (Optimization of Interest Earnings) [PFIA 2256.005(b)(3)]

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. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

V. RESPONSIBILITY AND CONTROL

Delegation of Authority [PFIA 2256.005(f)]

In accordance with the Public Funds Investment Act, the Board designates the Comptroller as the District's Investment Officer. The Investment Officer is authorized to execute investment transactions on behalf of the District. No person may engage in an investment transaction or the management of District funds except as provided under the terms of this Investment Policy as approved by the Board. The investment authority granted to the investing officer is effective until rescinded by the Board.

Quality and Capability of Investment Management [PFIA 2256.005(b)(3)]

The District shall provide periodic training in investments for the designated investment officer(s) and other investment personnel through courses and seminars offered by professional organizations, associations, and other independent sources in order to insure the quality and capability of investment management in compliance with the Public Funds Investment Act.

Training Requirement (PFIA 2256.008)

In accordance with the requirements of the Public Funds Investment Act, designated Investment Officers as well as the Treasurer and/or Assistant Treasurer shall attend an investment training session of at least 4 hours no less often than once every two years based on the District's fiscal year and from a State approved independent source. A newly appointed Investment Officer must attend a training session of at least 6 hours of instruction within twelve months of the date the officer took office or assumed the officer's duties. The investment training session shall be provided by an independent source approved by the Board. For purposes of this policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institution of higher education or any other sponsor other than a business organization with whom the District may engage in an investment transaction.

Internal Controls (Best Practice)

The Comptroller is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the Comptroller shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points.

- Control of collusion.
- Separation of transactions authority from accounting and record keeping.
- Custodial safekeeping.
- Avoidance of physical delivery of securities.
- Clear delegation of authority to subordinate staff members.
- Written confirmation for telephone (voice) transactions for investments and wire transfers.
- Development of a wire transfer agreement with the depository bank or third party custodian.

Prudence (PFIA 2256.006)

The standard of prudence to be applied by the Investment Officer shall be the “prudent person” rule. This rule states that “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.” In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- The investment of all funds, or funds under the District’s control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment.
- Whether the investment decision was consistent with the written approved investment policy of the District.

Indemnification (Best Practice)

The Investment Officer, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific investment’s credit risk or market price changes, provided that these deviations are reported immediately and the appropriate action is taken to control adverse developments.

Ethics and Conflicts of Interest [PFIA 2256.005(i)]

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

The Investment Officer of the District who has a personal business relationship with an organization seeking to sell an investment to the District shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree by affinity (Close relationship or kinship) or consanguinity (Blood relationship) to an individual seeking to sell an investment to the District shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the Board.

VI. SUITABLE AND AUTHORIZED INVESTMENTS

Portfolio Management

The District currently has a “buy and hold” portfolio strategy. Maturity dates are matched with cash flow requirements and investments are purchased with the intent to be held until maturity. However, investments may be liquidated prior to maturity for the following reasons:

- An investment with declining credit may be liquidated early to minimize loss of principal.
- Cash flow needs of the District require that the investment be liquidated.
- Unusual or drastic market changes

Investments [PFIA 2256.005(b)(4)(A)]

District funds governed by this policy may be invested in the instruments described below, all of which are authorized by Chapter 2256 of the Government Code (Public Funds Investment Act). Investment of District funds in any instrument or security not authorized for investment under the Act is prohibited. The District will not be required to liquidate an investment that becomes unauthorized subsequent to its purchase.

I. Authorized

1. Obligations of the United States of America, its agencies and instrumentalities.
2. Certificates of Deposit issued by a bank organized under Texas law, the laws of another state, or federal law, savings and loan association or a savings bank organized under Texas law, the laws of another state, or federal law, that is guaranteed or insured by the Federal Deposit Insurance or its successor or secured by obligations in a manner and amount provided by law for deposits of the District.

3. Fully collateralized direct repurchase agreements with a defined termination date secured by obligations of the United States or its agencies and instrumentalities. These shall be pledged to the District, held in the District's name, and deposited at the time the investment is made with the District or with a third party selected and approved by the District. Repurchase agreements must be purchased through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas. A Master Repurchase Agreement must be signed by the bank/dealer prior to investment in a repurchase agreement. All repurchase agreement transactions will be on a delivery vs. payment basis. Securities received for repurchase agreements must have a market value greater than or equal to 102 percent at the time funds are disbursed. (Sweep Accounts and/or Bond Proceeds)
4. Money Market Mutual funds that are 1) registered and regulated by the Securities and Exchange Commission, 2) have a dollar weighted average stated maturity of 90 days or less, 3) rated AAA by at least one nationally recognized rating service, and 4) seek to maintain a net asset value of \$1.00 per share.
5. Local government investment pools, which 1) meet the requirements of Chapter 2256.016 of the Public Funds Investment Act, 2) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service, 3) *seek to maintain a \$1.00 net asset value*, and 4) are authorized by resolution by the Board.

All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating. (PFIA 2256.021)

II. **Not Authorized [PFIA 2256.009(b)(1-4)]**

Investments including interest-only or principal-only strips of obligations with underlying mortgage-backed security collateral, collateralized mortgage obligations with an inverse floating interest rate or a maturity date of over 10 years are strictly prohibited.

VII. INVESTMENT PARAMETERS

Maximum Maturities [PFIA 2256.005(b)(4)(B)]

The longer the maturity of investments, the greater their price volatility. Therefore, it is the District's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risk caused by changes in interest rates.

The District attempts to match its investments with anticipated cash flow requirements. The District will not directly invest in securities maturing more than two (2) years from the date of purchase; however, the above described obligations, certificates, or agreements may be collateralized using longer dated investments.

Because no secondary market exists for repurchase agreements, the maximum maturity shall be 120 days except in the case of a flexible repurchase agreement for bond proceeds. The maximum maturity for such an investment shall be determined in accordance with project cash flow projections and the requirements of the governing bond ordinance.

The composite portfolio will have a weighted average maturity of 365 days or less. This dollar-weighted average maturity will be calculated using the stated final maturity dates of each security. [PFIA 2256.005(b)(4)(C)]

Diversification [PFIA 2256.005(b)(3)]

The District recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Risk is controlled through portfolio diversification that shall be achieved by the following general guidelines:

- Limiting investments to avoid overconcentration in investments from a specific issuer or business sector (excluding U.S. Treasury securities and certificates of deposit that are fully insured and collateralized in accordance with state and federal law),
- Limiting investment in investments that have higher credit risks (example: commercial paper),
- Investing in investments with varying maturities, and
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs), money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

The following maximum limits, by instrument, are established for the District’s total portfolio:

1. U.S. Treasury Securities	100%
2. Agencies and Instrumentalities	85%
3. Certificates of Deposit	100%
4. Repurchase Agreements*	20%
5. Money Market Mutual Funds	50%
6. Authorized Pools	100%

*Excluding flexible repurchase agreements for bond proceeds investments.

VIII. SELECTION OF BANKS AND DEALERS

Depository

At least every five years a Depository shall be selected through the District's banking services procurement process, which shall include a formal request for proposal (RFP). The selection of a depository will be determined by competitive bid and evaluation of bids will be based on the following selection criteria:

- The ability to qualify as a depository for public funds in accordance with state law.
- The ability to provide requested information or financial statements for the periods specified.
- The ability to meet all requirements in the banking RFP.
- Complete response to all required items on the bid form
- Lowest net banking service cost, consistent with the ability to provide an appropriate level of service.
- The credit worthiness and financial stability of the bank.

Authorized Brokers/Dealers (PFIA 2256.025)

The District shall, at least annually, review, revise, and adopt a list of qualified broker/dealers and financial institutions authorized to engage in securities transactions with the District. (Note: a designated investment committee may adopt and annually review the list of qualified broker/dealers.) Those firms that request to become qualified bidders for securities transactions will be required to provide 1) a completed broker/dealer questionnaire that provides information regarding creditworthiness, experience and reputation. and 2) a certification stating the firm has received, read and understood the District's investment policy and agree to comply with the policy. Authorized firms may include primary dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule), and qualified depositories. All investment providers, including financial institutions, banks, money market mutual funds, and local government investment pools, must sign a certification acknowledging that the organization has received and reviewed the District's investment policy and that reasonable procedures and controls have been implemented to preclude investment transactions that are not authorized by the District's policy. [PFIA 2256.005(k-l)]

Competitive Bids (Best Practice)

It is the policy of the District to require competitive bidding for all individual security purchases and sales except for: a) transactions with money market mutual funds and local government investment pools and b) treasury and agency securities purchased at issue through an approved broker/dealer or financial institution. The Comptroller shall develop and maintain procedures for ensuring a competition in the investment of the District's funds.

Delivery vs. Payment [PFIA 2256.005(b)(4)(E)]

Securities shall be purchased using the delivery vs. payment method with the exception of investment pools and mutual funds. Funds will be released after notification that the purchased security has been received.

IX. SAFEKEEPING OF SECURITIES AND COLLATERAL

Safekeeping and Custodian Agreements (Best Practice)

The District shall contract with a bank or banks for the safekeeping of securities either owned by the District as part of its investment portfolio or held as collateral to secure demand or time deposits. Securities owned by the District shall be held in the District's name as evidenced by safekeeping receipts of the institution holding the securities.

Collateral for deposits will be held by the depository bank or a third party custodian designated by the District and pledged to the District as evidenced by safekeeping receipts of the institution with which the collateral is deposited. Original safekeeping receipts shall be obtained. Collateral may be held by the depository bank's trust department, a Federal Reserve bank or branch of a Federal Reserve bank, a Federal Home Loan Bank, or a third party bank approved by the District.

Collateral Policy (PFCA 2257.023)

Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the District to require full collateralization of all District funds on deposit with a depository bank, other than investments. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on the deposits or investments less an amount insured by the FDIC. At its discretion, the District may require a higher level of collateralization for certain investment securities. Securities pledged as collateral shall be held by the depository bank or an independent third party with which the District has a current custodial agreement. The Comptroller is responsible for entering into collateralization agreements with third party custodians in compliance with this Policy. The agreements are to specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the District and retained. Collateral shall be reviewed at least annually to assure that the market value of the pledged securities is adequate.

Collateral Defined

The District shall accept only the following types of collateral:

- Obligations of the United States or its agencies and instrumentalities
- Direct obligations of the state of Texas or its agencies and instrumentalities
- Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States
- Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized rating firm not less than A or its equivalent with a remaining maturity of ten (10) years or less
- A surety bond issued by an insurance company rated as to investment quality by a nationally recognized rating firm not less than A
- A letter of credit issued to the District by the Federal Home Loan Bank

Subject to Audit

All collateral shall be subject to inspection and audit by the Comptroller or the District's independent auditors.

X. PERFORMANCE

Performance Standards

The District's investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio shall be designed with the objective of obtaining a rate of return through budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow requirements of the District.

Performance Benchmark (*Best Practice*)

It is the policy of the District to purchase investments with maturity dates coinciding with cash flow needs. Through this strategy, the District shall seek to optimize interest earnings utilizing allowable investments available on the market at that time. Market value will be calculated on a quarterly basis on all securities owned and compared to current book value. The District's portfolio shall be designed with the objective of regularly meeting or exceeding the average rate of return on governmental pools.

XI. REPORTING (*PFA 2256.023*)

Methods

The Investment Officer shall prepare an investment report on a quarterly basis that summarizes investment strategies employed in the most recent quarter and describes the portfolio in terms of investment securities, maturities, and shall explain the total investment return for the quarter.

The quarterly investment report shall include a summary statement of investment activity prepared in compliance with generally accepted accounting principals. This summary will be prepared in a manner that will allow the District to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report will be provided to the Board. The report will include the following:

- A listing of individual securities held at the end of the reporting period.
- Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period.
- Additions and changes to the market value during the period.
- Average weighted yield to maturity of portfolio as compared to applicable benchmark.
- Listing of investments by maturity date.
- Fully accrued interest for the reporting period
- The percentage of the total portfolio that each type of investment represents.
- Statement of compliance of the District's investment portfolio with state law and the investment strategy and policy approved by the Board.

An independent auditor will perform a formal annual review of the quarterly reports with the results reported to the governing body [PFIA 2256.023(d)].

Monitoring Market Value [PFIA 2256.005(b)(4)(D)]

Market value of all securities in the portfolio will be determined on a quarterly basis. These values will be obtained from a reputable and independent source and disclosed to the governing body quarterly in a written report.

XII. INVESTMENT POLICY ADOPTION [PFIA 2256.005(e)]

The District's investment policy shall be adopted by resolution of the Board. It is the District's intent to comply with state laws and regulations. The District's investment policy shall be subject to revisions consistent with changing laws, regulations, and needs of the District. The Board shall adopt a resolution stating that it has reviewed the policy and investment strategies annually, approving any changes or modifications.