



Policy

SECTION	Finance	DATE ISSUED	August 26, 1987
SUBJECT	Investment Policy	REVISED DATE	December 5, 2018
ORIGINATOR	Chief Financial Officer	APPROVAL LEVEL	Board of Directors

PURPOSE: It is the policy of the Authority that all available funds will be invested in conformance with state law, federal regulations, applicable bond resolution requirements, and other conditions established by this formal Investment Policy.

I. INVESTMENT POLICY.

A. Requirements of Investment Policy.

As a political subdivision of the State of Texas, the Trinity River Authority of Texas (Authority) is subject to Title 10, Chapter 2256 of the Government Code (Texas Public Funds Investment Act of 1987) (Investment Act) concerning the investment of public funds. §2256.005 of the Investment Act concerning Investment Policies states that the Investment Policy must:

1. Be written;
2. Primarily emphasize safety of principal and liquidity;
3. Address investment diversification, yield, maturity, and the quality and capability of investment management; and,
4. Include:
 - (i) A list of the types of authorized investments in which the investing entity's funds may be invested;
 - (ii) The maximum allowable stated maturity of any individual investment;
 - (iii) For pooled fund groups, the maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio;
 - (iv) Methods to monitor the market price of investments acquired with public funds; and,

- (v) A requirement for settlement of all transactions, except investment pool funds, mutual funds, deposit accounts and bank CDs, on a delivery versus payment basis.

B. Formal Adoption.

This Investment Policy is authorized by the Authority's Board of Directors in accordance with the Investment Act, as amended, which requires the adoption of a formal written Investment Policy.

C. Scope.

This Investment Policy applies to all of the investment activities of the Authority. This policy establishes guidelines for those who are authorized to invest Authority funds, how funds will be invested, and when and how a periodic review of investments will be made. In addition to this policy, bond funds (as defined by the Internal Revenue Service) will be managed by the governing resolution and all applicable state and federal law.

D. Review and Amendment.

This policy and the Authority's investment strategy will be reviewed annually by both the Administration and Audit Committee and the Board of Directors. Amendments must be recommended by the Administration and Audit Committee and approved by the Board of Directors.

II. INVESTMENT OBJECTIVES.

The investment objectives for each of the Authority's funds will be based upon the following priorities in order of importance.

A. Understanding of the Suitability of the Investment to the Financial Requirements of the Entity.

B. Preservation and Safety of Principal.

Each investment transaction will seek to ensure, first, that capital losses are avoided, whether from securities defaults or erosion of market value and that investments are lodged for safekeeping with the least risk possible.

C. Maintenance of Adequate Liquidity.

The investment portfolio will remain sufficiently liquid to meet the cash flow requirements that might be reasonably anticipated. Liquidity will be achieved by matching investment maturities with forecast cash flow requirements; investing in securities with active secondary markets; and maintaining appropriate portfolio diversification.

D. Marketability of the Investment if the Need Arises to Liquidate the Investment Before Maturity.

E. Diversification of the Investment Portfolio.

F. Yield.

Investments will be made in permitted obligations at yields equal to or greater than the bond equivalent yield on United States Treasury obligations of comparable maturity at the time of purchase.

For bond proceeds to which federal yield or arbitrage restrictions apply, the primary objectives will be to obtain maximum allowable market yields and to minimize the costs associated with the investment of such funds within the constraints of all applicable regulations.

Effective cash management is recognized as essential to good fiscal management. Aggressive cash management and effective investment strategy development will be pursued to take advantage of interest earnings as viable and material revenue to all Authority funds. The Authority's portfolio will be designed and managed in a manner responsive to the public trust and consistent with this policy.

The standard of care used by the Authority will be the "prudent person rule" and will be applied in the context of managing the overall portfolio within the applicable legal constraints. Chapter 2256 of the Investment Act states:

"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."

All participants in the investment process will seek to act responsibly as custodians of the public trust and will avoid any transaction that might impair public confidence in the Authority.

III. INVESTMENT POLICIES.

A. Eligible Investments.

The Investment Act specifies the various investments in which the Authority may invest. The Board of Directors may restrict further the securities eligible for investment. In no event will an investment be purchased at a price which exceeds the existing market value of the investment. The investments described below are authorized by the Investment Act and are accepted as eligible securities for investment.

1. Direct obligations of the United States Government, specifically:
 - (i) U.S. Treasury Bills;
 - (ii) U.S. Treasury Notes;
 - (iii) U.S. Treasury Bonds; and,
2. Obligations of agencies and instrumentalities of the United States Government with

certainty of cash flows. Specifically, the discount notes and fixed coupon debentures of the:

- (i) Federal Home Loan Banks;
 - (ii) Federal Farm Credit System;
 - (iii) Federal Agricultural Mortgage Corporation (Farmer Mac);
 - (iv) Federal National Mortgage Association (Fannie Mae); and,
 - (v) Federal Home Loan Mortgage Corporation (Freddie Mac).
3. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the United States of America, or any obligation fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC).
 4. Fully collateralized repurchase agreements having a defined termination date, placed through a primary government securities dealer, as defined by the Federal Reserve, or a bank doing business in Texas, and secured by eligible securities as defined by the Public Funds Collateral Act (Collateral Act) pledged with a third-party selected or approved by the Authority, and having a market value of not less than the principal amount of the funds disbursed. All transactions will be governed by a signed Master Repurchase Agreement.
 5. Certificates of deposit issued by state and national banks doing business in Texas that are:
 - (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, secured by obligations described in paragraphs 1 and 2 above, which are intended to include all direct federal agency securities that have a market value of not less than the principal amount of the certificates or in any other manner and amount provided by law for deposits of the Authority; and
 - (ii) governed by a Depository Contract that complies with federal and state regulation to properly secure a pledged security interest.

The Authority will not invest in any mortgage-backed securities or securities with variable coupon rates.

6. Local government investment pools authorized by the Authority's Board of Directors that have a continuous rating no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service.
7. Money Market Mutual Funds registered with the SEC, with a dollar-weighted stated maturity of 60 days or less with an investment objective that includes the maintenance of a \$1 per share net asset value. The Authority may not invest an amount that exceeds 10 percent of the total assets of any single fund.
8. Interest bearing bank deposits insured by the FDIC or its successor, or the National

Credit Union Share Insurance Fund as per PFIA 2256.009 (a) 7.

B. Protection of Principal.

The Authority will seek to control the risk of loss due to the failure of a security issuer or grantor. Such risk will be controlled by investing only in the safest types of securities as defined in the policy; by qualifying the broker, dealer and financial institution with whom the Authority will transact; by collateralization as required by law; and through portfolio diversification by maturity and type.

The purchase of individual securities will be executed "delivery versus payment" (DVP) through the Authority's Safekeeping Agent. By so doing, Authority funds are not released until the Authority has received, through the Safekeeping Agent, the securities purchased.

1. Diversification by Investment Type.

Diversification by investment type will be established by the following maximum percentages of investment type to the total Authority investment portfolio:

(i)	U.S. Treasury Bills/Notes/Bonds	100%
(ii)	U.S. Agencies & Instrumentalities:	
	(a) Federal Home Loan Banks	50%
	(b) Federal Farm Credit Banks	50%
	(c) Farmer Mac	50%
	(d) Fannie Mae	50%
	(e) Freddie Mac	50%
(iii)	Certificates of Deposit	50%
(iv)	Repurchase Agreements	50%
(v)	Local Government Investment Pools	50%
(vi)	Money Market Mutual Funds	50%
(vii)	Callable Agencies	25%

Non-Treasury securities shall have maturities not to exceed five years. Maturities on Treasury securities may not exceed 10 years.

Bond proceeds may be invested in a single security or investment if the Board of Directors determines that such an investment is necessary to comply with federal arbitrage restrictions or to facilitate arbitrage recordkeeping and calculation. The Administration and Audit Committee may recommend to the Board of Directors modification of the maximum allowable portfolio percentages based on economic, market and Authority financial conditions. For example, the Authority may receive delivery on a large bond issue requiring an overnight investment in a repurchase agreement before investing the proceeds in U.S. Government Securities the next

day. This investment might exceed the limitation on repurchase agreements. Management must anticipate this possibility prior to each issue and advise the Board of Directors.

2. Diversification by Investment Maturity.

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Maturity guidelines by fund are as follows:

(i) Working Capital Fund.

The weighted-average days to maturity for the operating fund portfolio will be less than three years, at the time of purchase. The maximum maturity for repurchase agreements will be 30 days. The maximum maturity for direct obligations of the United States Government and obligations of agencies and instrumentalities of the United States Government will be five years. The Investment Officers will monitor the average days to maturity level and make appropriate changes.

(ii) Bond Proceeds.

The investment maturity of bond proceeds (excluding reserve and debt service funds) will generally be limited to the anticipated cash flow requirement or the "temporary period," as defined by federal tax law. During the temporary period, bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction will be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable regulations.

(iii) Debt Service Funds.

Debt Service Funds (Interest and Sinking Funds) will be invested to ensure adequate funding for each consecutive debt service payment. The Investment Officers will invest in such a manner so as not to exceed an "unfunded" debt service date with the maturity of any investment. An unfunded debt service date is defined as a coupon or principal payment date that does not have cash or investment securities available to satisfy said payment.

(iv) Bond Reserve Funds.

Market conditions, bond resolution constraints and arbitrage regulation compliance will be considered when formulating Reserve Fund strategy. Maturity limitations will generally not exceed the call provisions of the bond resolution and will not exceed the final maturity of the bond issue.

(v) Other Funds.

The anticipated cash requirements of other Authority funds will govern the appropriate maturity mix. Appropriate portfolio strategy will be determined based on market conditions, policy compliance, Authority financial condition,

and risk/return constraints. Maximum maturity will not exceed ten years and each fund's weighted average life will not exceed five years.

(vi) External Investment Restrictions.

If an external funding agency (such as Texas Water Development Board) places restrictions on the investment of proceeds provided to the Authority by the agency that are more conservative than the investment policies of the Authority, those restrictions will supersede the Authority's investment policy for those separate proceeds.

3. Ensuring Liquidity.

Liquidity will be achieved by anticipating cash flow requirements, and by investing in securities with active secondary markets.

A security may be liquidated to meet unanticipated cash requirements, to re-deploy cash into other investments expected to outperform current holdings, or otherwise to adjust the portfolio.

4. Collateralization.

Consistent with the requirements of state law, the Authority requires all bank deposits to be federally insured or collateralized with eligible securities. Financial institutions serving as Authority Depositories will be required to sign a Depository Agreement with the Authority and the Authority's Safekeeping Agent. The safekeeping portion of the Agreement will define the Authority's rights to the collateral in case of default, bankruptcy, or closing and will establish a perfected security interest in compliance with federal and state regulations. In addition, the Agreement must be:

- (i) In writing;
- (ii) Executed by the Depository and the Authority contemporaneously with the acquisition of the asset;
- (iii) Approved by the Board of Directors or the loan committee of the Depository and a copy of the meeting minutes must be delivered to the Authority; and
- (iv) Part of the Depository's "official record" continuously after its execution.

Repurchase agreements must also be secured in accordance with state law. Each counter party to a repurchase transaction is required to sign a copy of the Master Repurchase Agreement as approved by the Authority. An executed copy of this Agreement must be on file before the Authority will enter into any transactions with a counter party. All Master Repurchase Agreements must be approved by the Board of Directors via the Administration and Audit Committee.

5. Monitoring Market Prices.

As an integral part of preparing the Investment Officers' Report, the fair values of all

securities will be determined from market prices listed in the trust statements reporting the custody of the securities. If security valuation is provided by the Investment Advisor, the advisor shall disclose its independent pricing source.

6. Monitoring of Credit Ratings and Investment Downgrade Provisions.

The Authority shall monitor the credit ratings on securities that require minimum ratings. This may be accomplished through website research, or with the assistance of investment advisors, broker dealers, banks or safekeeping agents. An investment that requires a minimum rating will not qualify as an authorized investment during the period the investment does not have the minimum rating. The Authority shall then take all reasonable and prudent measures to liquidate such investment.

C. Eligible Securities Dealers and Investment Advisors.

1. The Investment Officers may purchase fully collateralized repurchase agreements from any primary government securities dealer registered with the Federal Reserve Bank of New York. (http://www.newyorkfed.org/markets/pridealers_current.html.) A qualified representative from any business organization offering to engage in investment transactions with the Authority shall be provided a copy of this policy. Investments shall only be made with those business organizations (including investment managers and local government investment pools) which have provided the Authority with written acknowledgement that the business organization has reviewed the Investment Policy, and has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Authority and the organization that are not authorized by the Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entire portfolio or requires an interpretation of subjective investment standards.
2. The Investment Officers may purchase other eligible investments on a delivery versus payment basis (DVP) from any primary dealer registered with the Federal Reserve Bank of New York and any other securities dealers specifically approved by the Authority's Board of Directors. If the Authority has retained the services of an investment advisory firm, the advisor shall be responsible for providing the Authority with a list of its approved broker/dealers no less frequently than once a year. (See Appendix A.)
3. For investments purchased from the secondary market, a minimum of three quotes will be solicited and documented, with at least one of these from a historically underutilized business (HUB). Every effort shall be made to determine and solicit the investment security which provides the most financial benefit to the Authority.
4. The Authority may retain the services of an investment advisory firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to assist in the formulation of investment policies and strategies, analyze investment alternatives and execute security transactions. In addition, the advisor shall provide other services, including but not limited to investment reporting and broker/dealer due diligence. The term of the investment advisory contract with the Authority may not exceed two years, with any subsequent renewal or extension approved by ordinance or resolution of the Board of Directors as required by the Tex. Gov't Code Sec.2256.003(b).

D. Collateral and Safekeeping.

1. Allowable Collateral

(i) Certificates of Deposit.

Eligible securities for collateralization of deposits are defined by the "Public Funds Collateral Act" (Collateral Act), as amended.

(ii) Repurchase Agreements.

Securities underlying repurchase agreements are limited to eligible securities, as defined by the Collateral Act, which are eligible for wire transfer (i.e., book entry) to the Authority's designated Safekeeping Agent through the Federal Reserve System.

2. Collateral Levels.

(i) Certificates of Deposit.

The market value of the principal portion of collateral pledged for certificates of deposit must at all times be equal to or greater than the par value of the certificate of deposit plus accrued interest, less the applicable level of FDIC insurance.

(ii) Repurchase Agreements.

A repurchase agreement's security value will be the par value plus accrued interest, and the security's market value must be maintained at the following minimum levels:

Agreement Maturities Greater Than One Business Day

U.S. Treasury Securities	102%
U.S. Agency and Instrumentalities.	103%

Agreement Maturities of One Business Day

All Securities	100%
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Securities bought under the terms of a repurchase agreement will only be U.S. Treasury Securities or U.S. Agency and Instrumentality Securities. The Investment Officers will not invest in mortgage backed securities under the terms of a repurchase agreement.

3. Monitoring Collateral Adequacy.

(i) Certificate of Deposit.

The Authority will require monthly reports with market values of pledged securities from all financial institutions with which the Authority has certificates of deposit. The Investment Officers will monitor adequacy of collateralization

levels to verify market values and total collateral positions.

(ii) Repurchase Agreements.

Weekly monitoring by the Investment Officers of market values of all underlying securities purchased for Authority repurchase transactions is required. More frequent monitoring may be necessary during periods of market volatility.

4. Additional Collateral and Securities.

(i) Certificates of Deposit.

If the collateral pledged for a certificate of deposit falls below the par value of the deposit, plus accrued interest less FDIC insurance, the institution issuing the C.D.'s will be notified by the Investment Officers and will be required to pledge additional securities no later than the end of the next business day.

(ii) Repurchase Agreements.

If the value of the securities underlying a repurchase agreement falls below the margin maintenance levels specified above, the Investment Officers will request additional securities. If the repurchase agreement is scheduled to mature within five business days and the amount is deemed to be immaterial, then the request may be waived.

5. Collateral Substitution.

Collateralized certificates of deposit and repurchase agreements often require substitution of collateral. Any broker, dealer or financial institution requesting substitution must contact the Investment Officers for approval and settlement. The substituted security's value will be calculated and substitution approved if its value is equal to or greater than the required security level. Substitution is allowable for all transactions, but should be limited, if possible, to minimize potential administrative problems and transfer expense. The Investment Officers may limit substitution and assess appropriate fees if substitution becomes excessive or abusive.

6. Safekeeping.

(i) Safekeeping Agreement.

The Authority will contract with a bank or banks for the safekeeping of securities either owned by the Authority as part of its investment portfolio or as part of its depository and repurchase agreements. All securities and collateral securing deposits shall be clearly registered and held in the name of the Authority.

(ii) Safekeeping of Certificate of Deposit Collateral.

All collateral securing bank deposits must be held by a third-party banking institution acceptable to and under contract with the Authority, or by the Federal Reserve Bank.

(iii) Safekeeping of Repurchase Agreement Securities.

The securities purchased under repurchase agreements must be delivered to a third-party custodian with whom the Authority has established a safekeeping agreement.

E. Responsibility and Controls.

1. Administration and Audit Committee.

The Administration and Audit Committee will recommend to the Board of Directors strategies for the Authority's investment portfolios. The Committee will meet annually and at the discretion of the Chair, to review, modify and recommend to the Board of Directors any changes regarding the Investment Policy. The Committee will at all times adhere to the guidelines and procedures established by this policy.

2. Authority to Invest.

The Board of Directors, upon recommendation by the Administration and Audit Committee, will designate and approve one or more persons as "Investment Officers" of the Authority. Investment Officers are authorized to deposit, withdraw, invest, transfer, execute documentation and otherwise manage Authority funds according to this policy.

The investment officers of the Authority are the Chief Financial Officer, Manager of Accounting, and the Manager of Cash and Capital Projects.

In accordance with Texas Water Code Section 49.1571(b), the Investment Officers shall:

- (i) Not later than the first anniversary of the date the officer takes office or assumes the officer's duties, attend a training session of at least six hours of instruction relating to investment responsibilities under Chapter 2256 of the Government Code; and,
- (ii) Attend at least four hours of additional investment training within each two-year period after the first year.

The source of this investment training will be the University of North Texas Center for Public Management, Government Treasurers' Organization of Texas, Government Finance Officers Association or any other qualified and certified provider of Public Funds Investment Act education.

3. Prudent Investment Management.

The designated Investment Officers will perform their duties in accordance with this Investment Policy, as amended by the Authority's Board of Directors, and internal procedures. Investment Officers acting in good faith and in accordance with these policies and procedures will be relieved of personal liability and will be insured for this purpose by the Authority.

4. Standards of Ethics.

The designated Investment Officers will adhere to the Authority's Code of Ethics. All designated Investment Officers are prohibited from purchasing or selling investments through a Broker who is related to him/her within the second-degree affinity or consanguinity or with whom the Investment Officer has a personal business relationship. Investment Officers and other employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. According to the Act, an Investment Officer has a personal business relationship with a business organization if:

- (i) The Investment Officer owns 10 percent or more of the voting stock or shares of the business organization or owns \$5000 or more of the fair market value of the business organization;
- (ii) Funds received by the Investment Officer from the business organization exceed 10 percent of the Investment Officer's gross income for the previous year; or
- (iii) The Investment Officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the Investment Officer.

Investment Officer(s) must file a disclosure statement with the Texas Ethics Commission and the Authority Board if an officer has a personal business relationship with a business organization offering to engage in an investment transaction with the Authority or if the Officer is related within the second degree by affinity or consanguinity, as determined under Chapter 573 of the Texas Government Code, to an individual seeking to transact investment business with the entity.

5. Internal Controls

The Chief Financial Officer shall establish a system of internal controls that shall be documented in writing. The controls shall be designed to prevent losses of public funds arising from fraud, employee error or misrepresentation by third parties and shall be reviewed annually by the Authority's independent auditor.

F. Investment Officers' Reports.

It will be the responsibility of the Investment Officers to prepare an Investment Officers' Report in accordance with the Investment Act, Chapter 2256.023, Internal Management Reports as follows:

1. At least quarterly, the Investment Officer of a state agency or political subdivision will prepare a written report of the agency's or subdivision's local funds investment transactions for the preceding reporting period.
2. The report must:

- (i) Be prepared jointly by all Investment Officers of the Authority;
 - (ii) Describe in detail the investment position of the Authority on the date of the report;
 - (iii) Contain a summary statement of pooled funds;
 - (iv) State book values to market values of each investment at beginning and ending of period;
 - (v) State the maturity date of each investment;
 - (vi) State by fund ownership of investment;
 - (vii) State compliance with this policy;
 - (viii) Be signed by each Investment Officer of the Authority; and,
3. The report shall be delivered to the Board of Directors and the General Manager of the Authority.

G. Compliance Audit.

In accordance with the Investment Act Chapter 2256.052, the Authority's external, independent auditor will perform an annual compliance audit of management controls on investments and adherence to the Authority's established investment policies in conjunction with the annual financial audit. This audit shall include an annual review of the quarterly investment reports with findings reported to the Authority Board.

H. Investment Advisor.

The Authority's Board may, at its discretion, contract with an investment management firm properly registered under the Investment Advisors Act of 1940 (15 U.S.C. Section 80b-1 et seq.) and with the Texas State Securities Board to provide for investment and management of its public funds or other funds under its control.

IV. INVESTMENT STRATEGY.

The Authority's investment funds can be broadly categorized into four types. The characteristics of each fund determine the investment strategy that should be used for that fund.

A. Construction Funds.

Investment strategies for construction projects will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. Proceeds will not be invested beyond the lesser of the estimated completion date of the construction project or five years. To the extent a construction expenditure schedule is available to the Investment Officers, the schedule will be used to develop an investment portfolio with securities that mature at least monthly in sufficient amounts to fund construction expenditures.

APPENDIX "A"
APPROVED SECURITY DEALERS LIST

A. List of the Non-Primary Security Dealers Approved by the Board of Directors of the Trinity River Authority of Texas

Blaylock Robert Van*
FTN Financial
Gilford Securities
Great Pacific Securities*
Loop Capital Markets, LLC.*
Raymond James
Rice Financial Products*
Wells Fargo Brokerage Services LLC
The Williams Capital Group, L.P.*

B. 2018 List of the First Southwest Investment Advisory Firm Approved Security Dealers

Bank of America Merrill Lynch
BOK Financial
Cantor Fitzgerald & Co.
Citigroup Global Markets
D.A. Davidson
Daiwa Capital Markets
FTN Financial
Goldman, Sachs & Co.
International FCStone
JP Morgan Securities
KeyBanc Capital Markets
Loop Capital Markets*
Mesirow Financial
Mizuho Securities
Morgan Stanley & Co.
Piper Jaffray & Co.
Raymond James
RBC Capital Markets
Rice Financial*
SunTrust Robinson Humphrey
Stifel, Nicolaus & Co.
TD Securities
UBS Securities
Vining Sparks
Wells Fargo Securities
Williams Capital Group*

*Minority or Woman Owned Business
Revised
12/5/2018

APPENDIX "B"
APPROVED INVESTMENT POOLS LIST

List of the Investment Pools Approved by the Board of Directors of the Trinity River Authority of Texas

Local Government Investment Pool ("TEXPOOL")
Texas Short Term Asset Reserve Program ("TEXSTAR")
Lone Star Investment Pool

In the absence of a construction expenditure schedule, the Investment Officers may develop an estimate based upon experience with past construction programs.

B. Operating Funds.

The operating funds of the Authority represent relatively stable working capital and the greatest portion of the investment pool. This investment pool will be invested such that the weighted average life to maturity of the pool is less than three years and no security will be invested beyond five years.

C. Reserve Funds.

The reserve funds of the Authority represent long-term funds held for the security of the bondholders to pay debt service should collections from contracting parties be insufficient to pay debt service. These funds will not be invested beyond the lesser of the last maturing bond or ten years.

D. Interest and Sinking Funds.

These funds represent the short-term accumulation of funds to pay current debt service. These funds will not be invested beyond six months.

APPROVED FOR ISSUANCE:


J. KEVIN WARD
General Manager

TYPE OF REVISION	DATE
Original Issue	August 26, 1987
Revision	October 25, 2017
Revision	December 5, 2018

