



## Financial Services Audit Committee Communication

**Date:** July 20, 2018

**To:** Great Lakes Water Authority Audit Committee

**From:** Deirdre Henry, Treasury Manager

**Re:** Proposed Amendments to the Great Lakes Water Authority Investment Policy

**Background:** The current Investment Policy was approved by the Great Lakes Water Authority (GLWA) Board on September 14, 2016. A periodic review of the policy is required to ensure the policies governing the management of the portfolio continue to be relevant and are implemented and monitored as stated.

**Analysis:** The PFM Asset Management (PFM) team was asked to review the GLWA Investment policy. Based on their review and subsequent internal discussions, below are the following recommended changes.

1. Amend Section 3 to specifically state that GLWA may use a qualified investment advisor as a money manager.
2. Section 7(C) has been amended to add language defining the parameters under which GLWA can sell a security.
3. Section 10(E) has been amended to further define restrictions related to the purchase of bankers' acceptances.
4. Section 10(J) was added to minimize concentration risk by placing limits and restrictions on different types of investment securities.

Attached is a memo from PFM along with a mark-up copy of the investment policy reflecting the proposed changes.

**Proposed Action:** Recommend approval of the proposed amendments by the GLWA Board of Directors.