



## Legislation Details (With Text)

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**File created:** 3/3/2021      **In control:** Board of Directors

**On agenda:** 3/24/2021      **Final action:** 3/24/2021

**Title:** Amendments to the Great Lakes Water Authority Investment Policy

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Code sections:**

**Attachments:** 1. GLWA\_Investment Policy PFM Review Memo and redline 2-18-2021

Date	Ver.	Action By	Action	Result
3/24/2021	1	Board of Directors	Approved	Pass

### Amendments to the Great Lakes Water Authority Investment Policy

Agenda of: March 24, 2021  
 Item No.: **2021-085**  
 Amount: N/A

**TO:** The Honorable  
 Board of Directors  
 Great Lakes Water Authority

**FROM:** Sue F. McCormick  
 Chief Executive Officer  
 Great Lakes Water Authority

**DATE:** March 10, 2021

**RE: Amendments to the Great Lakes Water Authority Investment Policy**

#### MOTION

Upon recommendation of Nicolette Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **adopt the proposed amendments of the GLWA Investment Policy as presented** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

#### BACKGROUND

The current Investment Policy was approved by the Great Lakes Water Authority (GLWA) Board of Directors on August 22, 2018. 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.

### **JUSTIFICATION**

The following amendments to the investment policy add language related to the pooling of assets, add a specific due diligence process for investment advisors, and add clarity to other areas in the policy:

1. Section 7C - Updated section number reference.
2. Section 8 (New) - POOLING OF CASH AND INVESTMENTS was added as a new section allowing GLWA to pool assets for investment purposes.
3. Section 9 - MAXIMUM MATURITIES has been renumbered from Section 8 to Section 9 and language was clarified to better define maximum maturities.
4. Section 10 - AUTHORIZED FINANCIAL INSTITUTIONS AND BROKER/DEALERS has been renumbered from Section 9 to Section 10 and language was added to require specific due diligence for investment advisors.
5. Section 11 - AUTHORIZED INVESTMENTS has been renumbered from Section 10 to Section 11. Also, language was added to define standard rating services, mutual fund language from Section 12 was moved to this section, language about collateralization was moved from this section to the INVESTMENT DIVERSIFICATION AND CONSTRAINTS section, and descriptions for investment pools and acceptance of bond proceeds was clarified.
6. Section 12 - MUTUAL/COLLECTIVE INVESTMENT FUNDS was deleted as Section 12. This information was included in AUTHORIZED INVESTMENTS (Section 11).
7. Section 12 (New)- INVESTMENT DIVERSIFICATION AND CONSTRAINTS was originally included as Section 11 (J). It is now a separate section and includes language about collateralization that was originally included in AUTHORIZED INVESTMENTS (Section 11).
8. Section 13 - SAFE KEEPING AND CUSTODY has been renumbered from Section 12 to Section 13.
9. Section 14 - INTERNAL CONTROLS & PRACTICES has been renumbered from Section 13 to Section 14.
10. Section 15 - REPORTING has been renumbered from Section 14 to Section 15.
11. Section 16 - INVESTMENT POLICY ADOPTION has been renumbered from Section 15 to Section 16.
12. Addendum B - Title has been updated to clarify what parties would use this certification.
13. Addendum C - New certification added specifically for Investment Advisors.
14. Addendum D - Definition added for local government investment pool.

### **BUDGET IMPACT**

None

**COMMITTEE REVIEW**

This matter was reviewed by the Audit Committee at its meeting on February 26, 2021. The Audit Committee unanimously recommended that the GLWA Board adopt the proposed amendments of the GLWA Investment Policy as presented.