

The vice president, administrative services, is responsible for investing the funds of the district that are not required for the immediate needs of the district. Funds so invested shall follow the investment policies approved by the board of trustees in accordance with the Government Code §§53600, et seq. and the following investment priorities:

- A. The preservation of principal is of primary importance. Each transaction shall seek to ensure that capital losses are avoided, whether from securities or erosion of market value.
- B. The investment program should remain sufficiently flexible to enable the district to meet all operating requirements that may be reasonably anticipated in any fund. After preservation of principal, liquidity is the objective.
- C. Funds not required for the immediate needs of the district shall be prudently invested in order to earn a return on such investment.

In managing district investments, district officials should avoid any transaction that might impair public confidence.

Investment should be made with precision and care, considering the probable safety of the capital, as well as the probable income to be derived. (See Government Code § 53600.6 regarding solvency and credit worthiness.)

District funds maintained by the San Diego County Treasurer that are not required for the immediate needs of the district may be invested as follows:

- A. County Treasurer's Investment Pool: Investment of district funds may be delegated to the County Treasurer. In accordance with county procedures, district funds may be pooled with other local agencies and invested by the County Treasurer in accordance with the investment guidelines specified by Government Code §53635 and investment policies adopted by the County Board of Supervisors.
- B. District funds not required for the immediate needs of the district may be remitted to the State Local Agency Investment Fund (LAIF) for the purpose of investment (Government Code §16429.1). District funds deposited with the LAIF shall be invested by the State Treasurer in securities prescribed by Government Code §16430 or the Surplus Money Investment Fund, and as determined by the Local Investment Advisory Board (Government Code §16429.2).

- C. Other Investments: Other investments as permitted by Government Code §§53600, et seq., and in particular Government Code §§53601 and 53635, may be made by the vice president, administrative services, subject to prior approval of the Board of Trustees.

By resolution of the board of trustees, the district may establish a retirement board (irrevocable trust investment board) and authorize participation in the programs and activities provided for by way of an irrevocable trust agreement. The retirement board shall review and make recommendations on the form of investments of funds allocated for investment in the district's retiree health-benefit program. Such review and recommendations of the retirement board shall be provided annually to the board.