



WEST BASIN MUNICIPAL WATER DISTRICT

SMALL AND COMMUNITY BANK INVESTMENT PROGRAM

Funds may be invested in **Small and** Community Banks within West Basin's service area under the following criteria:

1. The bank must have at least one branch within West Basin Municipal Water District's (West Basin) service area;
2. The bank must meet the Community Reinvestment Act, the FDIC, the Federal Reserve Board and the Office of the Comptroller of the Currency on the definition of "small bank" which means that a bank, as of December 31 of either of the prior two calendar years, had assets of less than \$1.033 billion;
3. The bank must provide certification and supporting information that indicates at least 25% or \$50,000,000 in loans is invested within West Basin's service area;
4. Funding for this Program shall not exceed \$10,000,000 or 10% of West Basin's portfolio, whichever is greater;
5. To ensure West Basin obtains a competitive rate for investments in the Program, any potential investment or proposal must enjoy a rate of return within 10 basis points of the Local Agency Investment Fund (LAIF) rate existing at the time of the proposal; and
6. Participating banks shall make an annual presentation about their community involvement one month prior to the Certificate of Deposit maturity. For those banks with multiple maturities, this review only needs to occur one time during that year.

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Upon Board's review of community involvement, the staff member serving as Treasurer or Deputy Treasurer will negotiate the terms of the investment.

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