

ARTICLE 3. SMALL AND COMMUNITY BANK INVESTMENT PROGRAM**4-1.301 POLICY¹**

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

- (a) The bank must have at least one branch within West Basin Municipal Water District's (West Basin) service area;
- (b) 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 institution";
- (c) 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;
- (d) Funding for this Program shall not exceed \$10,000,000 or 10% of West Basin's portfolio, whichever is greater;
- (e) 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
- (f) 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.
 - (1) Participating banks must make their annual presentations within 30 days after a Certificate of Deposit matures. For banks with multiple maturities, the presentation must be made within 30 days of the latest maturing Certificate of Deposit's maturity date within the calendar year. If the annual presentation is not made within the 30 day timeframe, West Basin may request the return of its funds.

- (g) Upon the West Basin Board's review of community involvement, the staff member serving as Treasurer or Deputy Treasurer will negotiate the terms of the investment.
- (h) Institutions who are candidates for participation in West Basin's Small and Community Bank Program shall disclose any financial or personal relationships with any West Basin Board Member or employee, or their families, that constitute a potential conflict of interest. More specifically, such institutions shall disclose any compensation or material gain given to the aforementioned parties derived from the institution's participation in the Small and Community Bank Program. West Basin board members and employees shall disclose any potential material interests in participating small bank financial institutions to the Treasurer, Deputy Treasurer, and District Counsel for review.

LIST OF CHANGES TO PART 4, CHAPTER 1. ADMINISTRATIVE MATTERS

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- ¹ Section 4-1.301 amended by Resolution 2-16-1027 on February 22, 2016.
 - ² Section 4-1.403 amended by Resolution 2-16-1027 on February 22, 2016.
 - ³ Section 4-1.404 amended by Resolution 2-16-1027 on February 22, 2016.
 - ⁴ Section 4-1.406 amended by Resolution 2-16-1027 on February 22, 2016.
 - ⁵ Section 4-1.407 amended by Resolution 2-16-1027 on February 22, 2016.
 - ⁶ Section 4-1.502 amended by Resolution 2-16-1027 on February 22, 2016.
 - ⁷ Section 4-1.504 amended by Resolution 2-16-1027 on February 22, 2016.
 - ⁸ Section 4-1.505 amended by Resolution 2-16-1027 on February 22, 2016.
 - ⁹ Section 4-1.506 amended by Resolution 2-16-1027 on February 22, 2016.
 - ¹⁰ Section 4-1.507 amended by Resolution 2-16-1027 on February 22, 2016.
 - ¹¹ Section 4-1.509 amended by Resolution 2-16-1027 on February 22, 2016.
 - ¹² Section 4-1.512 amended by Resolution 2-16-1027 on February 22, 2016.
 - ¹³ Section 4-1.601 amended by Resolution 2-16-1027 on February 22, 2016.
 - ¹⁴ Section 4-1.605 amended by Resolution 2-16-1027 on February 22, 2016.
 - ¹⁵ Section 4-1.606 amended by Resolution 2-16-1027 on February 22, 2016.
 - ¹⁶ Section 4-1.607 amended by Resolution 2-16-1027 on February 22, 2016.
 - ¹⁷ Section 4-1.613 amended by Resolution 2-16-1027 on February 22, 2016.