

BOARD MEETING DATE: May 5, 2023

AGENDA NO. 3

PROPOSAL: Revise Investment Oversight Committee Composition

SYNOPSIS: On April 12, 1996, the Board established the Investment Oversight Committee, a Board committee, to comply with state law requirements and monitor South Coast AQMD's investments. This action is to modify the composition of the committee.

COMMITTEE: Administrative, April 14, 2023; Recommended for Approval

**RECOMMENDED ACTION:**

Authorize the Chair to revise the composition of the Investment Oversight Committee from six to seven members: four Board members, of which one shall be Chair of the Investment Oversight Committee; three individuals with either local government agency investment responsibilities, past or present, or with commercial investment responsibilities.

Wayne Natri  
Executive Officer

SJ:gp

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**Background**

Based on an extensive review of South Coast AQMD treasury management operations and the risks and benefits associated with investing in a commingled county investment pool, the South Coast AQMD Board, at its April 12, 1996 meeting, directed staff to work with the County to reallocate a significant portion of its short-term investments from the County's commingled Pooled Surplus Investment Portfolio into its non-commingled Special Purpose Investment Portfolio and into the Local Agency Investment Fund managed by the State Treasurer. To implement and monitor this change in investment policy, as well as to comply with changes to the California Government Code and related state law requirements, the Board approved the establishment of an Investment Oversight Committee.

**Proposal**

Authorize the Chair to revise the composition of the Investment Oversight Committee from six to seven members: four Board members, of which one shall be Chair of the Investment Oversight Committee; three individuals with either local government agency investment responsibilities, past or present, or with commercial investment responsibilities.

Pursuant to state law, a statement of investment policy is required to be transmitted annually to the Oversight Committee and Governing Board for consideration at a public meeting. In addition, state law (Government Code Section 53607) requires that the South Coast AQMD Board annually renew its delegation of authority to its Treasurer to invest or to reinvest funds of the local agency. The Investment Oversight Committee oversees the development and periodic update of a South Coast AQMD Investment Policy and Guidelines document; recommends approval of the annual investment policy and delegation of authority to the treasurer to invest and reinvest South Coast AQMD funds; monitors compliance with Los Angeles County and South Coast AQMD investment guidelines; and reviews the quarterly investment reports to the South Coast AQMD Board. The Investment Oversight Committee will be staffed by the Chief Financial Officer, with compliance and investment analysis provided by an independent advisor specializing in municipal investment services.

**Resource Impact**

No fiscal impact.