



**OPTIMIZED**  
Investment Partners

# INVESTMENTS 101 PRESENTATION



# Agenda

- Investment Requirements
- Permitted Investments
- The OIP Advantage
- Interest Revenue Projections
- Goals for Cayucos Sanitary District
- The OIP Process
- FAQ

# CAYUCOS SANITARY DISTRICT'S INVESTMENT REQUIREMENTS

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**ANNUAL INVESTMENT POLICY UPDATE** (GC SECTION 53646)

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**INVESTMENT OF SURPLUS**

Government agencies must comply with California Government Code (GC Section 53600)

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**PRUDENT INVESTOR STANDARD**

Trustees shall act with care, skill, prudence, and diligence. (GC Section 53600.3)

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**REPORTING**

Quarterly report to the governing body outlining cash assets invested, investment types, purchases, sales, market conditions, and affirming agency projection of sufficient cash availability to meet operating needs. (GC Section 53607)

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**SAFEGUARDS**

Safety of Principal, Liquidity, and Yield (GC Section 53600.5)

# PERMITTED INVESTMENTS

GC 53601

GOVERNMENT CODE PERMITTED INVESTMENTS	EXISTING POLICY PERMITTED INVESTMENTS	RECOMMENDED PERMITTED INVESTMENTS
US Treasury Notes, Bonds, and Bills	YES	YES
Federal or US Government Sponsored Enterprises (GSEs)	YES	YES
Negotiable Certificates of Deposit (CDs)	YES	YES
Shares of Beneficial Interest Issued by Joint Powers Authorities - JPA Pools (CAMP, CalTRUST, CLASS)	YES	YES
Local Agency Investment Fund (LAIF)	YES	YES
County Investment Pool	YES	YES
Bonds Issued by the Local Agency	YES	YES
Bonds of this State and Other 49 States	YES	YES
Bonds, Notes, Warrants, or Other Evidences of Indebtedness of a Local Agency within California	YES	YES
Medium Term Notes	YES	YES
State Warrants or Treasury Notes/Bonds	YES	YES
Shares of Beneficial Interest	YES	NO
Asset Backed/Mortgage-Backed Securities	YES	NO
Banker's Acceptance	YES	NO
Commercial Paper	YES	NO
Commercial Paper, Debt Securities, or Other Obligations of a Public Bank	YES	NO
Investments by Trustees or Fiscal Agents	YES	NO
Repurchase Agreements and Reverse Repurchase Agreements	YES	NO
Securities Secured by First Priority Interest (Notes/Bonds/Other Obligations)	YES	NO

# OIP'S VALUE ADDED SERVICES



## **ANNUAL INVESTMENT POLICY REVIEW AND ADOPTION**

Provide Annual Investment Policy Review and Recommendations for Updates



## **COMPLIANCE**

Ensure and Maintain Regulatory Compliance with All Applicable Government Codes and Standards



## **COMPREHENSIVE CASH FLOW MODELING AND LADDERING STRATEGY**

Perform an Initial Historical Analysis and Cash Flow Model, Provide Monthly or More Review, and Continuous Investment Monitoring



## **EDUCATIONAL PRESENTATIONS**

Deliver Investments 101 and On-Going Support in Municipal Fund Management



## **INVESTMENT OF LIQUID FUNDS**

Provide Active Cash Management and Optimize Investment Performance While Maintaining Sufficient Liquidity



## **TRANSPARENT QUARTERLY REPORTING**

Prepare Board Agenda Items, Staff Reports, and Monthly or Quarterly Reports

# INVESTMENT MANAGEMENT APPROACHES

## COMMON APPROACH

- **Passive:** Most of the money is in checking. Some funds invested in county or state investment pools. Liquid, but low yields. Exposes the portfolio to interest rate risks.
- **Active:** Somewhat diverse over a 5-year period, cookie-cutter, impersonal and out-dated.

## THE OIP ADVANTAGE

- Cash flow modeling and cash management that utilizes more funds for the investment portfolio and honors liquidity needs.
- Reporting and compliance included with our service.
- Safer, provides budgetary resiliency, and optimizes yields.
- A customized approach that incorporates budgets and CIP Programming.
- Government expertise.

# ***THE OIP ADVANTAGE: KEY POINTS***

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## **ACTIVE MANAGEMENT**

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Tailored investment strategies based on the District's unique cash flow needs allows for optimized returns and honors liquidity needs.

## **BUDGETARY RESILIENCY**

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An optimized laddering strategy secures the best available rates while keeping funds productive until needed, ensuring stability in budgeted interest income.

## **REDUCING INTEREST RATE RISK**

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Liquid investments are highly sensitive to market fluctuations. Locking in rates with appropriate tools and time horizons provides more predictable and guaranteed returns.

# PERFORMANCE IMPACT

	WITHOUT OIP	WITH OIP	IMPROVEMENT
<b>FY 2025-2026 BUDGETED INTEREST REVENUE</b>	<b>\$80,000</b>	<b>\$140,400</b>	<b>\$60,400</b>
<b>PROJECTED YEAR 1 INTEREST REVENUE</b>	<b>\$65,000</b>	<b>\$156,000</b>	<b>\$91,000</b>
<b>PROJECTED YEAR 2 INTEREST REVENUE</b>	<b>\$50,000</b>	<b>\$143,000</b>	<b>\$93,000</b>

*\*Based on original projections, subject to change based on current interest rates and are not a guarantee of future returns.*

# GOALS FOR CAYUCOS SANITARY DISTRICT



**APPROVAL OF CONTRACT**



**OIP TO PERFORM AN IN-DEPTH REVIEW AND MODERNIZATION OF THE DISTRICT'S INVESTMENT POLICY**



**DEVELOP COMPREHENSIVE CASH FLOW MODEL**



**EVALUATE THE DISTRICT'S EXISTING CUSTODY ACCOUNT TO ENSURE COMPETITIVE PRICING AND BEST-IN-CLASS SERVICES**

# THE OIP PROCESS

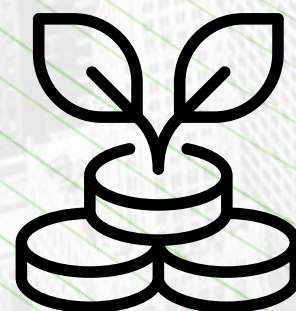
## Step 1

OIP assists District staff with confirming or establishing custodial/trust and broker/dealer accounts.



## Step 2

Create strategic investment plan that outlines initial portfolio structure. Receive approval from the District.



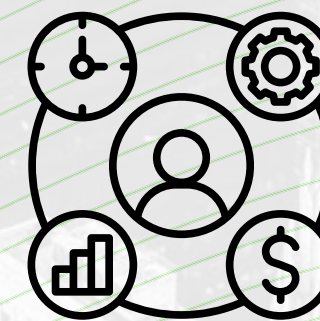
## Step 3

Meeting is held with OIP, broker/dealer and your team to purchase investments.



## Continuous Management

OIP actively monitors all accounts and provides monthly or more recommendations.

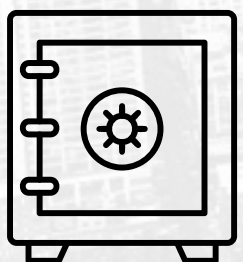


# FAQ



## HOW DOES OIP FREE UP DISTRICT STAFF'S TIME?

OIP produces monthly or quarterly reports, staff reports, and investment policies and revisions, and relieves District staff of the burden of staying informed in the government investment landscape.



## HOW DOES OIP KEEP THE DISTRICT'S MONEY SAFE?

OIP utilizes high quality investments, optimized laddering, and checks and balances.



## WHAT IS CASH FLOW MODELING AND CASH MANAGEMENT?

OIP analyzes historical data, budgets, and current data to optimize returns and minimize idle cash.



## HOW IS OIP DIFFERENT FROM OTHER INVESTMENT ADVISORS?

OIP delivers individualized, first-class, service standards, and a customized approach which is backed by extensive government expertise.



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Investment Partners

**THANK  
YOU!**

# Important Disclosures

## **Investment Advisory Status**

Optimized Investment Partners, LLC (“OIP”) is a registered investment advisor with the U.S. Securities and Exchange Commission (SEC). The views expressed herein reflect OIP’s opinions as of the date of this presentation and are subject to change without notice. This material does not constitute an offer to buy or sell any securities.

## **Projections and Forward-Looking Statements**

Any references to financial outcomes, interest rates, or market conditions are for illustrative purposes only and should not be interpreted as guarantees. Projections are based on current assumptions and are subject to change. Actual results may vary due to market fluctuations and other unforeseen factors.

## **Investment Risks**

Investing involves risk, including the potential loss of principal. Past performance does not guarantee future results. Economic conditions, market volatility, and changes in investment strategy may significantly impact performance. Fixed income investments carry risks including interest rate, credit, and market risk—particularly in environments with rising interest rates.

## **Performance Reporting**

Performance figures are presented gross of advisory fees and include reinvested dividends. Advisory fees, if applied, will reduce overall performance. Benchmark and index performance shown does not reflect transaction costs, custodial fees, or advisory fees.

## **Legal and Advisory Disclaimer**

This presentation is for informational purposes only and should not be considered specific investment, legal, or tax advice. Opinions expressed are based on current market conditions and may change at any time. Information may become outdated or superseded without notice.