RESOLUTION NO. #04-004

LONE STAR GROUNDWATER CONSERVATION DISTRICT

RESOLUTION REVIEWING AND APPROVING INVESTMENT POLICY AND INVESTMENT STRATEGIES

THE STATE OF TEXAS §

COUNTY OF MONTGOMERY §

WHEREAS, the Lone Star Groundwater Conservation District ("District") was created by the Legislature of the State of Texas in Acts 2001, 77th Leg., R.S., ch. 1321, p. 3246, § 1(a);

WHEREAS, the Public Funds Investment Act of Texas ("the Investment Act") requires that the Board of Directors annually review the investment policy and investment strategies of the District and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies;

WHEREAS, the Investment Act requires the investment officers of the District to attend an investment training session not less than once in a two-year period and receive not less than ten hours of instruction relating to investment responsibilities every two years from an independent source approved by the Board of Directors of the District;

WHEREAS, the Board of Directors has reviewed the Investment Policy of the District, attached hereto, and the investment strategies contained therein, and has found that no changes are necessary at this time;

WHEREAS, the Board of Directors has reviewed the investment officer designations of the District and has determined such designations are current;

WHEREAS, the investment officers of the District have attended investment training through an independent source approved by the Board and are meeting the training requirements set forth in the Investment Act; and

WHEREAS, the Board of Directors has reviewed monthly financial reports in compliance with requirements set forth in the Investment Act.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LONE STAR GROUNDWATER CONSERVATION DISTRICT AS FOLLOWS:

1. The Board of Directors of the District, after reviewing the existing investment policy and investment strategies of the District, hereby approves the District's existing Investment Policy without changes (see attached).

2. The General Manager and Board Secretary/Treasurer are hereby authorized to continue to serve as Investment Officers for the District. This designation may be changed from time to time without reference to or repeal of this resolution.

COPY

3. The General Manager is authorized to take any and all action necessary for the implementation of this resolution.

AND IT IS SO ORDERED.

PASSED AND ADOPTED this 10th day of August, 2004.

LONE STAR GROUNDWATER CONSERVATION DISTRICT

By: _____
Richard J. Tramm, President

ATTEST:

_____
Paula J. Hargis, Secretary/Treasurer