RESOLUTION NO. #06-005

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 Budget and Finance Development Committee of the Board of Directors is charged with reviewing annually the investment policy and investment strategies of the District and drafting amendments for consideration by the Board;

WHEREAS, said committee has reviewed the Investment Policy of the District, attached hereto, and the investment strategies contained therein, and has submitted proposed amendments for consideration by the Board;

WHEREAS, said committee 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, said committee 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 Investment Policy as amended (see attached).

2. That such Investment Policy supersedes any and all Investment Policy previously adopted by the Board of Directors.

3. The General Manager and Board 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.

4. 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 12th day of September, 2006.

LONE STAR GROUNDWATER CONSERVATION DISTRICT

By: _____
Orval R. Love, President

ATTEST:

_____, Secretary