

**A RESOLUTION amending Resolution No. 2000-02-07,
Section 3.02(b) of the District's Code of Ethics and Policies
relating to District Investments**

WHEREAS, the Lost Pines Groundwater Conservation District (hereafter "District") adopted Resolution No. 2000-02-07 (hereafter "Ethics Resolution") in February, 2000, which concerns the District's Code of Ethics and Policies relating to Travel Expenditures, District Investments, Professional Services, and Fiscal Management from the Office of the State Auditor;

WHEREAS, the District desires to invest its funds and participate in TexPool, which necessitates a modification to its investment policy stated in the Ethics Resolution, section 3.02(b);

WHEREAS, the District determines that section 3.02(b) should be modified to incorporate the language necessary to participate in TexPool;

NOW, WHEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOST PINES GROUNDWATER CONSERVATION DISTRICT that

Section 3.02(b) of the Ethics Resolution be amended as follows:

3.02. Policy of Investment.

b) District funds shall be invested and reinvested by the district's investment officer only in national or state banking associations or savings and loan associations located within the State of Texas ("Texas financial institutions"), or, in federal treasury bills. Obligations of the United States, its agencies and instrumentalities shall be invested under the guidelines of Section 2256.009, TEXAS GOV'T CODE, of the Public Funds Investment Act (hereafter "the Act"). Repurchase Agreements shall be invested under the guidelines of Section 2256.011 of the Act. Commercial Paper shall be invested under the guidelines of Section 2256.013 of the Act. Investment Pools shall be invested in only if the investment pool complies with the requirements of Section 2256.016 of the Act and only if the pool is approved and passed by a resolution of the District. The principal, plus accrued interest, invested in financial institutions in accordance with this policy shall not exceed the FDIC or FSLIC insurance limits or exceed the collateral (as such term is hereinafter defined) pledged as security for the district's investments.

PASSED AND APPROVED this the 16th day of May, 2007.

LOST PINES GROUNDWATER CONSERVATION DISTRICT



Ann Mesrobian, President

ATTEST:


Billy Sherrill, Secretary