

Regional Solid Waste Association

City of Del Mar
Dwight Worden

City of Encinitas
Tony Kranz

City of National City
Ron Morrison

City of Poway
Peter De Hoff

City of Solana Beach
David A. Zito

City of Vista
Joe Green

Special Contract Party
City of Escondido
Michael Morasco

General Manager/General Counsel
James H. Eggart

SPECIAL** MEETING AGENDA

****Note: Due to construction at Fletcher Cove Community Center,
the location of this Regular Meeting has been changed.**

**July 13, 2023
9:00 a.m.**

**City of Solana Beach
Council Chambers
635 South Highway 101
Solana Beach, CA**



**REGIONAL SOLID WASTE ASSOCIATION
BOARD OF DIRECTORS**

SPECIAL MEETING AGENDA**

**July 13, 2023
9:00 a.m.**

**City of Solana Beach
Council Chambers
635 South Highway 101
Solana Beach, CA**

****Note: Due to construction at Fletcher Cove Community Center,
the location for this Regular Meeting has been changed.**

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

2. SWEARING-IN OF NEW BOARD MEMBER(S) - ACTION ITEM

This item is scheduled to swear-in new board members as the delegate/representative from a member city.

3. ORAL COMMUNICATIONS

This item is scheduled to provide an opportunity for public testimony on matters within the jurisdiction of the Association. The Association may receive comments, but no action may be taken.

4. CONSENT CALENDAR – ACTION ITEM

(Consent Calendar items will be acted on simultaneously with one motion unless separate discussion and/or action is requested by a Board Member.)

- A.** Minutes of the April 6, 2023 Meeting of the Board of the Regional Solid Waste Association – Recommended Action: Receive and File.
- B.** Minutes of the June 7, 2023 Budget Subcommittee Meeting – Recommended Action: Receive and File.

- C. RSWA Website Activity Report for FY 2022/2023 and Fourth Quarter of FY 2022/2023 (through June 30, 2023) – Recommended Action: Receive and File.
- D. Amendment No. 1 to Consultant Services Agreement between RSWA and Woodruff & Smart – Recommended Action: Approve Amendment No. 1.

5. **REPORTS BY MEMBER CITIES ON USE OF RSWA FUNDING – INFORMATION ITEM**

The Board will review reports from the individual Member Cities regarding their use of RSWA funding for Fiscal Year 2022/2023.

6. **SB 1383 COMPLIANCE SUPPORT SERVICES STATUS REPORT – INFORMATION AND POTENTIAL ACTION ITEM**

The Board will receive a status report on the SB 1383 compliance support services being provided to the RSWA Member Cities by Solana Center for Environmental Innovation, discuss proposed parameters for amending and extending the existing agreement between RSWA and Solana Center, and provide direction to the General Manager.

7. **FINANCE AND BUDGET - INFORMATION & ACTION ITEMS**

A. **RSWA Investment Report for the Fourth Quarter of Fiscal Year 2022/2023 – Information Item (Receive and File)**

General Manager Eggart will review the investment report as of June 30, 2023. Recommended Action: Receive and File.

B. **Budget and Expenditure Status for the Fourth Quarter of Fiscal Year 2022/2023 - Information Item (Receive and File)**

General Manager Eggart will review the budget status, financial status, and cash activity reports as of June 30, 2023. Recommended Action: Receive and File.

C. **Consideration and Approval of Amended FY 2023/2024 Budget and FY 2024/2025 Budget – Action Item**

General Manager Eggart and the Budget Subcommittee composed of Chairperson Morrison, Vice-Chairperson Worden, and Treasurer Green will present the proposed amended FY 2023/2024 Budget and proposed FY 2024/2025 Budget for the Board's consideration and approval.

Recommended Action: Approve Amended Fiscal Year 2023/2024 Budget and Fiscal Year 2024/2025 Budget.

D. Review of Investment Policy and Renewal of Delegation of Investment Authority – Action Item

The Board will review the current City of National City Investment Policy and consider a Resolution confirming the continued delegation of authority to the appropriate National City officials to invest and reinvest RSWA's funds.

Recommended Action: Review the current adopted Investment Policy of the City of National City and Adopt Resolution No. 2023-01, A Resolution of the Board of Directors of the Regional Solid Waste Association Confirming Continued Delegation of Authority to the Appropriate City of National City Officials to Invest the Association's Funds in Accordance with the City's Adopted Investment Policy.

8. HOUSEHOLD HAZARDOUS WASTE (HHW), ORGANIC WASTE, AND OTHER SOLID WASTE ISSUES – INFORMATION AND POSSIBLE ACTION ITEM(S)

A. HHW Participation Reports - Information Item

General Manager Eggart will review the HHW participation reports for FY 2022/2023.

B. Legislative Update – Information and Potential Action Item

General Manager Eggart will update the Board on pending legislation of interest relating to solid waste, organic waste, and household hazardous waste. The Board may provide direction regarding taking positions on specific pieces of legislation.

C. Update on HHW Issues, Organic Waste Disposal Issues, and Other Potential Future Issues – Information Item

General Manager Eggart will update the Board on other current household hazardous waste, organic waste, and solid waste issues, and other potential future issues affecting RSWA.

9. **ADMINISTRATIVE MATTERS – POSSIBLE ACTION ITEMS**

A. **Review Future Meeting Schedule – Possible Action Item**

October 5, 2023
January 4, 2024
April 4, 2024

This item is scheduled for discussion and approval of the future meeting schedule. The Board may make changes to the current future meeting schedule.

B. **Subcommittee Reports – Information and Potential Action Item**

This item is scheduled for Board subcommittees to provide a report to the full Board regarding subcommittee meetings and actions. The full Board may provide direction to subcommittees.

C. **Update on Potential Educational Conference Attendance – Information Item**

This item is scheduled for review of information on upcoming educational conferences.

D. **Reports by Board Members and/or RSWA Staff Regarding Conferences Attended – Information Item**

This item is scheduled to provide an opportunity for Board Members or RSWA Staff to report on conferences attended.

10. **COMMENTS FROM ASSOCIATION MEMBERS, GENERAL COUNSEL AND GENERAL MANAGER**

The Members may ask questions, make comments and ask that any matter be agenzized for consideration at a later meeting.

11. **ADJOURNMENT**

Adjournment to the meeting of October 5, 2023 at 9:00 a.m. at the Fletcher Cove Community Center, 133 Pacific Avenue, Solana Beach, CA.

REGIONAL SOLID WASTE ASSOCIATION

ADDRESSING THE ASSOCIATION BOARD

If you wish to speak to an item not on the posted agenda, but within the Association's subject matter jurisdiction, please submit a speaker slip to speak during Oral Communications. The Brown Act does not allow any discussion or action by the Board or staff on matters raised during public comment except: 1) to briefly respond to statements made or questions posed, 2) ask a question for clarification, 3) receive and file the matter, 4) if it is within staff's authority, refer it to them for a reply, or 5) direct that it be placed on a future board agenda for a report or action. A reasonable amount of time will be allocated by the Chair for public comment. Time donations are not permitted during Oral Communications.

If you wish to speak to an item on the agenda, please fill out a speaker slip indicating which agenda Item number you wish to speak to and hand it in before that item has been announced by the Chair. To donate time to another person, fill out a speaker slip indicating that fact. The person or persons donating time must be present when the speaker to whom they have donated time is heard.

ADDITIONAL INFORMATION: This agenda provides a brief description of each item to be considered by the Association Board. All revised or additional documents and writings related to any items on the agenda, which are distributed to all or a majority of the Board Members within 72 hours preceding a meeting, shall be available for public inspection (1) at the Solana Beach City Clerk's office during normal business hours; and (2) at the Fletcher Cove Community Center at the time of the meeting. Additional information is available through the General Manager to the Association at (714) 415-1062.

**PUBLIC NOTICE AND CALL FOR THE SPECIAL MEETING OF
THE REGIONAL SOLID WASTE ASSOCIATION
BOARD OF DIRECTORS**

**July 13, 2023
9:00 a.m.**

**City of Solana Beach
Council Chambers
635 South Highway 101
Solana Beach, CA**

In accordance with the requirements of California Government Code Sections 54956, pursuant to which a special meeting has been called by the Board Chairman, 54954.3(a), and 54954.2(a)(1), this Notice and the Agenda has been posted on the Regional Solid Waste website at <http://rswa.info>, and at Solana Beach City Hall, 635 South Highway 101, Solana Beach, CA, not less than 72 hours prior to the meeting date and time above.

In compliance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, please contact the Association's General Manager, James Eggart, at (714) 415-1062 at least forty-eight (48) hours prior to the meeting to allow the Association to make reasonable arrangements to ensure accessibility to this meeting.

I, James H. Eggart, General Manager of the Regional Solid Waste Association, do hereby declare that I caused the posting of the agenda for the regular meeting of the Regional Solid Waste Association for July 13, 2023 in the locations listed above which are freely accessible to the public at or prior to 9:00 a.m. on July 10, 2023.


**James H. Eggart
General Manager
Regional Solid Waste Association**

Item 4.A.

**MINUTES
REGIONAL SOLID WASTE ASSOCIATION
SPECIAL MEETING**

**April 6, 2023
9:00 a.m.**

**City of Solana Beach Council Chambers
635 South Highway 101
Solana Beach, CA**

BOARD MEMBERS IN ATTENDANCE:

**Mayor Ron Morrison, City of National City – RSWA Chairperson
Council Member Dwight Worden, City of Del Mar– RSWA Vice-Chairperson
Council Member Joe Green, City of Vista – RSWA Secretary
Mayor Tony Kranz, City of Encinitas
Deputy Mayor David Zito, City of Solana Beach
Council Member Peter De Hoff, City of Poway
Council Member Michael Morasco, City of Escondido**

STAFF RESOURCES IN ATTENDANCE:

James H. Eggart, General Manager/General Counsel

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Chairperson Morrison called the meeting to order at 9:07 a.m.

Board Member Morasco led the Board in the Pledge of Allegiance.

2. SWEARING-IN OF NEW BOARD MEMBER(S)

General Manager Eggart administered the Oath of Office to new Board Members Peter De Hoff of the City of Poway, Tony Kranz of the City of Encinitas, and David Zito of the City of Solana Beach.

3. ORAL COMMUNICATIONS

None.

4. CONSENT CALENDAR

The consent calendar included the following items:

- A.** Minutes of the December 1, 2022, Meeting of the Board of the Regional Solid Waste Association – Recommended Action: Receive and File.

- B.** RSWA Website Activity Report for Third Quarter of FY 2022/2023 (through March 29, 2023) – Recommended Action: Receive and File.

MOTION WAS MADE TO APPROVE THE CONSENT CALENDAR.

(Motion by Secretary Green, City of Vista/Second by Vice-Chairperson Worden, City of Del Mar). Motion was approved by a vote of 7 ayes, 0 nays, and 0 abstentions.

Ayes: Morasco, Zito, Kranz, De Hoff, Green, Worden, Morrison

Nays:

Abstain:

Absent:

5. ELECTION OF OFFICERS– ACTION ITEM

This item is scheduled for the election of officers. The last election of officers occurred at the March 31, 2022 Board meeting.

MOTION WAS MADE TO APPOINT THE FOLLOWING SLATE OF OFFICERS.

- 1. CHAIRPERSON – MAYOR RON MORRISON, CITY OF NATIONAL CITY**
- 2. VICE-CHAIRPERSON – COUNCIL MEMBER DWIGHT WORDEN, CITY OF DEL MAR**
- 3. TREASURER – COUNCIL MEMBER JOE GREEN, CITY OF VISTA**
- 4. SECRETARY, DEPUTY MAYOR DAVID ZITO, CITY OF SOLANA BEACH**

(Motion by Board Member Kranz, City of Encinitas/Second by Treasurer Green, City of Vista). Motion was approved by a vote of 7 ayes, 0 nays, and 0 abstentions.

Ayes: Morasco, Zito, Kranz, De Hoff, Green, Worden, Morrison

Nays:

Abstain:

Absent:

6. FISCAL YEAR 2023/2024 DISPOSAL RATE AND VOLUME REBATE AMOUNTS – INFORMATION ITEM

General Manager Eggart updated the Board on the solid waste disposal rates for the RSWA Member Cities and the Volume Rebate amount for FY 2023/2024. General Manager Eggart reported that there is a rate freeze in effect for FY 2023/2024. So, for the Cities of Del Mar, Encinitas, Solana Beach and Vista, the disposal rate will remain at \$53.83/ton, and for the Cities of National City and Poway, the disposal rate will remain at \$48.53/ton. General Manager Eggart also reported that, pursuant to Amendment No. 2 to the Agreement with EDCO approved in 2022, the Volume Rebate paid by EDCO to RSWA for FY 2023/2024 would increase from \$381,852.05 to \$481,852.

7. PRESENTATION

Jim Ambroso and Robert Hill from EDCO Disposal provided a presentation on EDCO's recycling programs and recycling markets and answered questions from the Board Members. A copy of the PowerPoint presentation provided by EDCO was provided to the Board and the public at the meeting.

With the consent of the Board, Chairperson Morrison advanced Item 11.A.

11. ADMINISTRATIVE MATTERS – POSSIBLE ACTION ITEMS

A. Review Future Meeting Schedule – Possible Action Item

This item was scheduled for discussion and approval of the future meeting schedule. It was noted that the previously approved meeting schedule was as follows:

July 6, 2023
October 5, 2023
January 4, 2023

MOTION WAS MADE TO RESCHEDULE THE JULY 6, 2023, REGULAR MEETING TO JULY 13, 2023, AT 9:00 A.M.

(Motion by Board Member Morasco, City of Escondido/Second by Council Member De Hoff, City of Poway). Motion was approved by a vote of 7 ayes, 0 nays, and 0 abstentions.

Ayes: Morasco, Zito, Kranz, De Hoff, Green, Worden, Morrison
Nays:
Abstain:
Absent:

Board Member Morasco left the meeting at 10:30 a.m.

8. SB 1383 COMPLIANCE SUPPORT SERVICES STATUS REPORT – INFORMATION ITEM

The Board received a report on the status of the SB 1383 compliance support services being provided to the RSWA member Cities by Solana Center for Environmental Innovation ("Solana Center"). Copies of Amendment No. 4 to the Consultant Services Agreement and a Summary of Invoiced Costs through February 2023 was provided to the Board and public in the Agenda Packet. Jessica Toth of Solana Center provided a PowerPoint presentation and answered the Board Members' questions. A copy of the PowerPoint presentation was provided to the Board and the public at the meeting.

9. FINANCE AND BUDGET - INFORMATION AND ACTION ITEMS

A. Budget and Expenditure Status for the Third Quarter of Fiscal Year 2022/2023 - Information Item (Receive and File)

General Manager Eggart reviewed the third quarter Financial Status and Cash Activity reports as of March 31, 2023. Details were provided to the Board Members and public in their respective agenda packets. The year-to-date activity reflected in the reports show actual revenues of \$273,838 and actual expenditures of \$281,547 through March 31, 2023. As of March 31, 2023, RSWA had a fund balance of \$320,221, which includes \$80,000 in reserves for HHW facility closures.

MOTION WAS MADE TO RECEIVE AND FILE THE FINANCIAL STATUS AND CASH ACTIVITY REPORTS FOR THE THIRD QUARTER OF FISCAL YEAR 2022/2023.

(Motion by Treasurer Green, City of Vista/Second by Board Member De Hoff, City of Poway). Motion was approved by a vote of 6 ayes, 0 nays, and 0 abstentions, with 1 absence.

Ayes: Zito, Kranz, De Hoff, Green, Worden, Morrison
Nays:
Abstain:
Absent: Morasco

B. RSWA Investment Report for the Third Quarter of Fiscal Year 2022/2023 – Information Item (Receive and File)

General Manager Eggart reviewed the investment report as of September 30, 2022. All of RSWA's funds are invested in the City of National City's portfolio. As of March 31, 2023, RSWA had an invested cash balance of \$320,221. Details on the City of National City's portfolio and investment activity through November 30, 2022, was provided to the Board Members in their respective agenda packets.

MOTION WAS MADE TO RECEIVE AND FILE THE INVESTMENT REPORT FOR THE THIRD QUARTER OF FISCAL YEAR 2022/2023

(Motion by Board Member Kranz, City of Encinitas/Second by Treasurer Green, City of Vista). Motion was approved by a vote of 6 ayes, 0 nays, and 0 abstentions, with 1 absence.

Ayes: Zito, Kranz, De Hoff, Green, Worden, Morrison
Nays:
Abstain:
Absent: Morasco

C. Fiscal Years 2023/2024 and 2024/2025 Budgeting Process – Action Item

General Manager Eggart reviewed the two-year budgeting process and requested that the Board consider appointing a budget subcommittee consisting of up to three (3) Board Members to work with the General Manager to prepare an amended Fiscal Year 2023/2024 Budget and a 2024/2025 Budget for consideration by the full Board.

MOTION WAS MADE TO APPOINT A BUDGET SUBCOMMITTEE CONSISTING OF CHAIRPERSON MORRISON, VICE-CHAIRPERSON WORDEN, AND TREASURER GREEN.

(Motion by Chairperson Morrison, City of National City/Second by Treasurer Green, City of Vista). Motion was approved by a vote of 6 ayes, 0 nays, and 0 abstentions, with 1 absence.

Ayes: Zito, Kranz, De Hoff, Green, Worden, Morrison
Nays:
Abstain:
Absent: Morasco

10. HOUSEHOLD HAZARDOUS WASTE (HHW), ORGANIC WASTE, AND OTHER SOLID WASTE ISSUES – INFORMATION AND POSSIBLE ACTION ITEM(S)

A. Fourth Amendment to Agreement for Operation of Household Hazardous Waste Disposal Services Between Regional Solid Waste Association and the City of Vista – Action Item

A Staff Report and draft Amendment extending the term of the current Agreement between RSWA and the City of Vista for operation of Household Hazardous Waste Disposal Services through June 30, 2025, was provided to the Board and public in the Agenda Packet.

MOTION WAS MADE TO AUTHORIZE THE GENERAL MANAGER TO ENTER INTO A FOURTH AMENDMENT FOR THE OPERATION OF HOUSEHOLD HAZARDOUS WASTE DISPOSAL SERVICES ON BEHALF OF RSWA WITH THE CITY OF VISTA EXTENDING THE TERM OF THE AGREEMENT ON TERMS ACCEPTABLE TO THE CITY.

(Motion by Treasurer Green, City of Vista/Second by Vice-Chairperson Worden, City of Del Mar). Motion was approved by a vote of 6 ayes, 0 nays, and 0 abstentions, with 1 absence.

Ayes: Zito, Kranz, De Hoff, Green, Worden, Morrison
Nays:
Abstain:
Absent: Morasco

With the consent of the Board, Chairperson Morrison advanced Item 11.C.

11. ADMINISTRATIVE MATTERS – POSSIBLE ACTION ITEMS

C. Update on Potential Educational Conference Attendance – Information Item

General Manager Eggart provided information to the Board regarding the WasteExpo, scheduled for May 1, 2023 - May 4, 2023, in New Orleans. Chairperson Morrison indicated he planned to attend.

10. HOUSEHOLD HAZARDOUS WASTE (HHW), ORGANIC WASTE, AND OTHER SOLID WASTE ISSUES – INFORMATION AND POSSIBLE ACTION ITEM(S)

B. HHW Participation Reports – Information item

General Manager Eggart reviewed the HHW participation summary reports through the Third Quarter of FY 2022/2023. Copies of the reports were provided to the Board and the public at the meeting.

Vice-Chairperson Worden, Treasurer Green, Board Member Kranz, and Board Member De Hoff left the meeting at 11:03, at which point a quorum was lost.

C. Legislative Update – Information Item

General Counsel Eggart advised the remaining members of the Board and the public in attendance on pending state legislation of interest relating to solid waste, organic waste, recycling, and household hazardous waste. A memorandum and PowerPoint presentation were provided to the Board and the public at the meeting.

D. Update on HHW Issues, Organic Waste Disposal Issues, and Other Potential Future Issues- Information Item

This item was scheduled for the Board to be updated on other current household hazardous waste, organic waste, and solid waste issues, and other potential future issues affecting RSWA. No update was provided due to the loss of quorum.

11. ADMINISTRATIVE MATTERS – POSSIBLE ACTION ITEMS

B. Subcommittee Reports – Information and Potential Action Item

This item was scheduled for Board subcommittees to provide a report to the full Board regarding subcommittee meetings and actions. No reports were provided due to loss of quorum.

D. Reports by Board Members and/or RSWA Staff Regarding Conference Attended – Information Item

This item was scheduled to provide an opportunity for Board Members or RSWA Staff to report on conferences attended. No reports were provided due to loss of quorum.

12. **COMMENTS FROM ASSOCIATION MEMBERS, GENERAL COUNSEL AND GENERAL MANAGER**

No comments were provided due to loss of quorum.

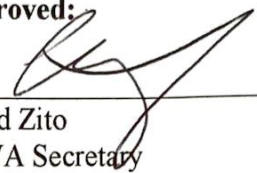
13. **ADJOURNMENT**

Chairperson Morrison noted that the meeting ended at 11:03 when quorum was lost and formally adjourned the meeting at 11:30.

Respectfully Submitted:


James H. Eggart
General Manager

Approved:


David Zito
RSWA Secretary

Item 4.B.

**MINUTES
REGIONAL SOLID WASTE ASSOCIATION BUDGET SUBCOMMITTEE
SPECIAL MEETING**

**June 7, 2023
11:00 a.m.**

**Vista Village Pub
224 Main Street, Vista CA 92084**

COMMITTEE MEMBERS IN ATTENDANCE:

**Mayor Ron Morrison, City of National City – RSWA Chairperson
Council Member Dwight Worden, City of Del Mar – RSWA Vice-Chairperson
Council Member Joe Green, City of Vista – RSWA Treasurer**

STAFF RESOURCES IN ATTENDANCE:

James H. Eggart, General Manager/General Counsel

1. CALL TO ORDER

The meeting was called to order at 11:30 a.m.

2. ORAL COMMUNICATIONS

This item was scheduled to provide an opportunity for public testimony on matters within the jurisdiction of the Subcommittee. There were no oral communications presented.

3. FINANCE AND BUDGET – INFORMATION AND ACTION ITEMS

A. Review Current Year Expenditures – Potential Action Item

General Manager Eggart reviewed the current FY 2022/2023 revenues and expenditures to date and projected fiscal year end revenue and expenditure estimates with the Budget Subcommittee. The Budget Subcommittee discussed potential adjustments to the FY 2022/2023 Budget and provided direction to the General Manager regarding recommendations to the full RSWA Board.

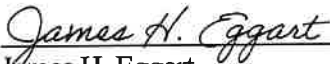
B. Review and Develop FY 2023/2024 and FY 2024/2025 Budgets – Potential Action Item

General Manager Eggart presented draft Budgets for FY 2023/2024 and 2024/2025. The Budget Subcommittee discussed the draft budgets and provided direction to the General Manager regarding revisions to the draft Budgets for presentation to the full RSWA Board.

4. **ADJOURNMENT**

The meeting was adjourned at 1:00 p.m.

Respectfully Submitted:



James H. Eggart
General Manager

Approved:


Joe Green
RSWA Treasurer

Item 4.C.

RSWA Quarterly Dashboard

Jul 1, 2022 - Jun 30, 2023

All Users
100.00% Sessions

Visits
1,012
% of Total: 100.00% (1,012)

Unique Visitors
817
% of Total: 100.00% (817)

Pageviews
1,751
% of Total: 100.00% (1,751)

Pages / Visit
1.73
Avg for View: 1.73 (0.00%)

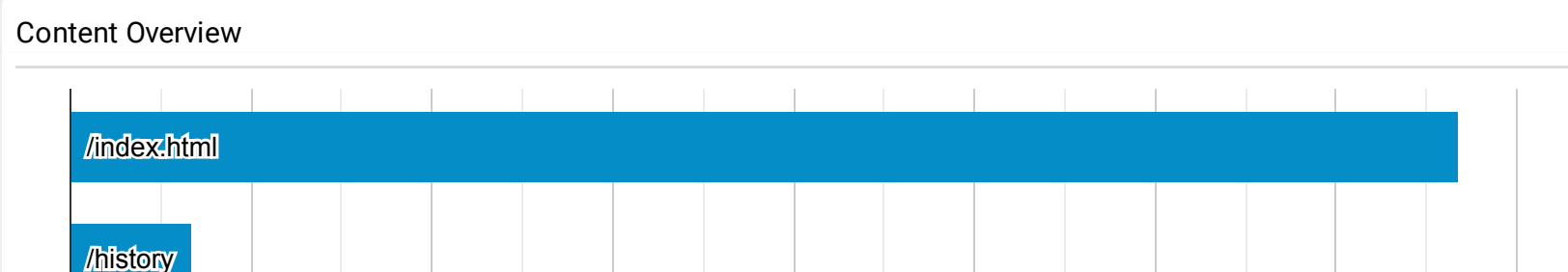
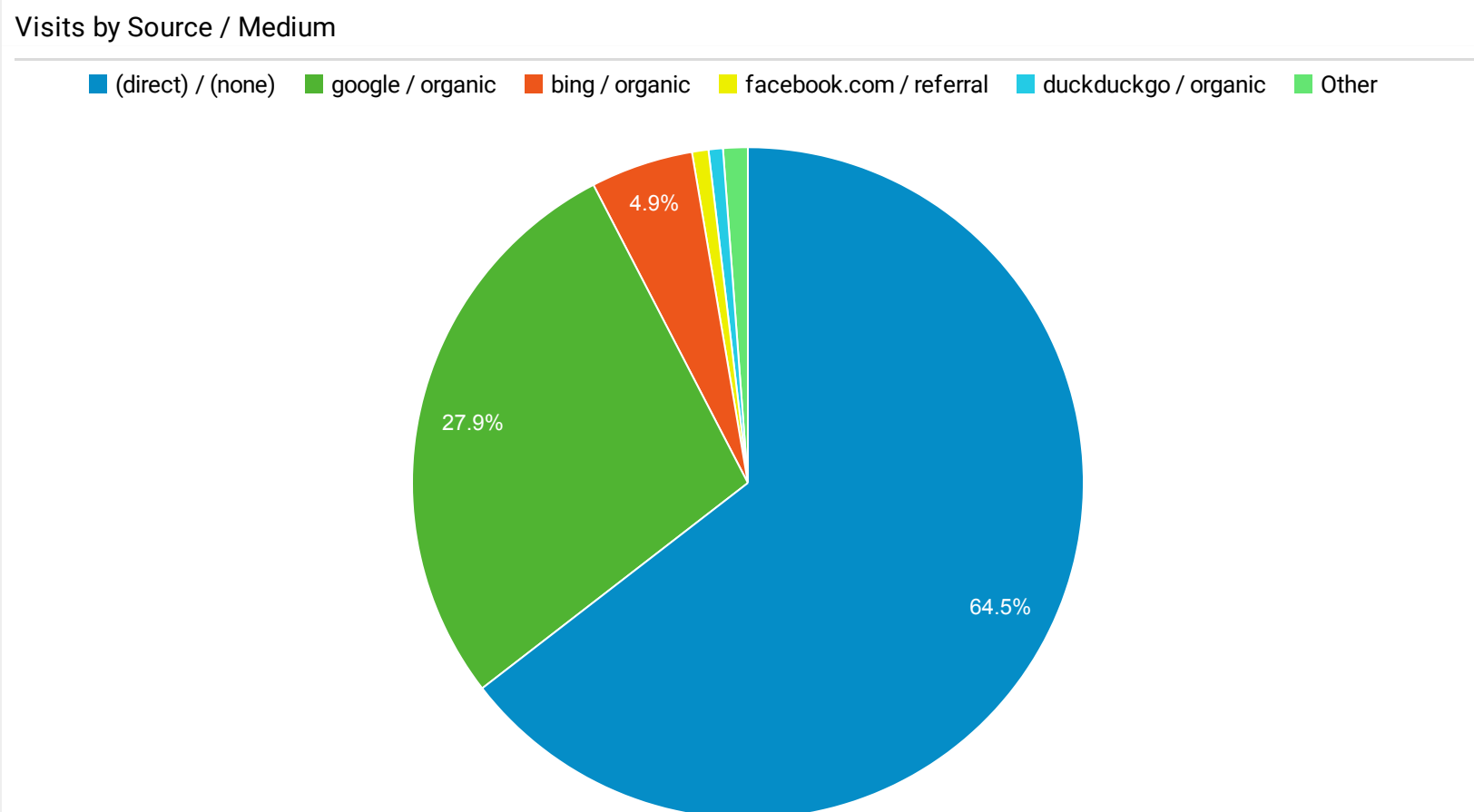
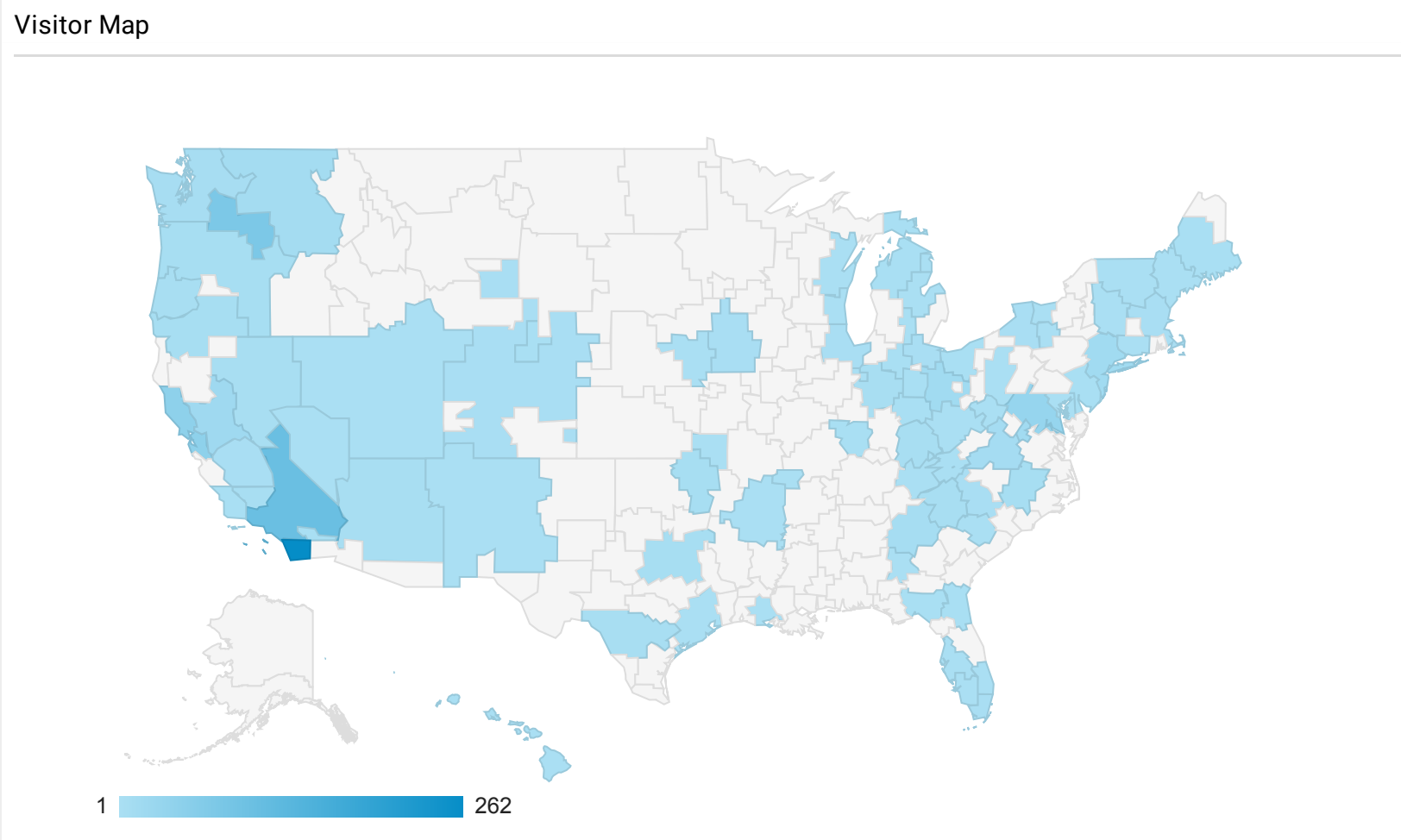
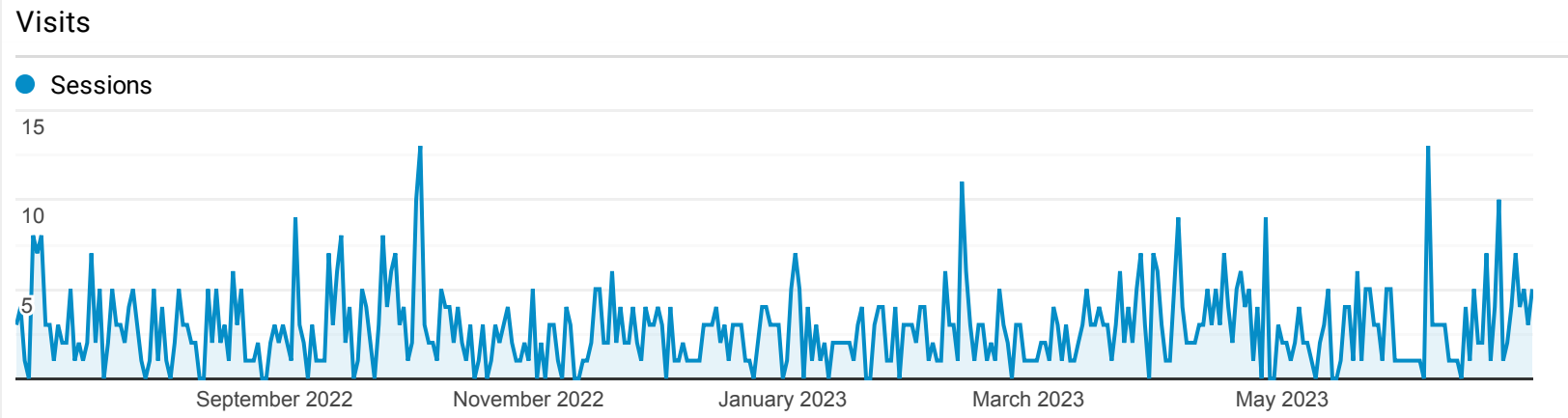
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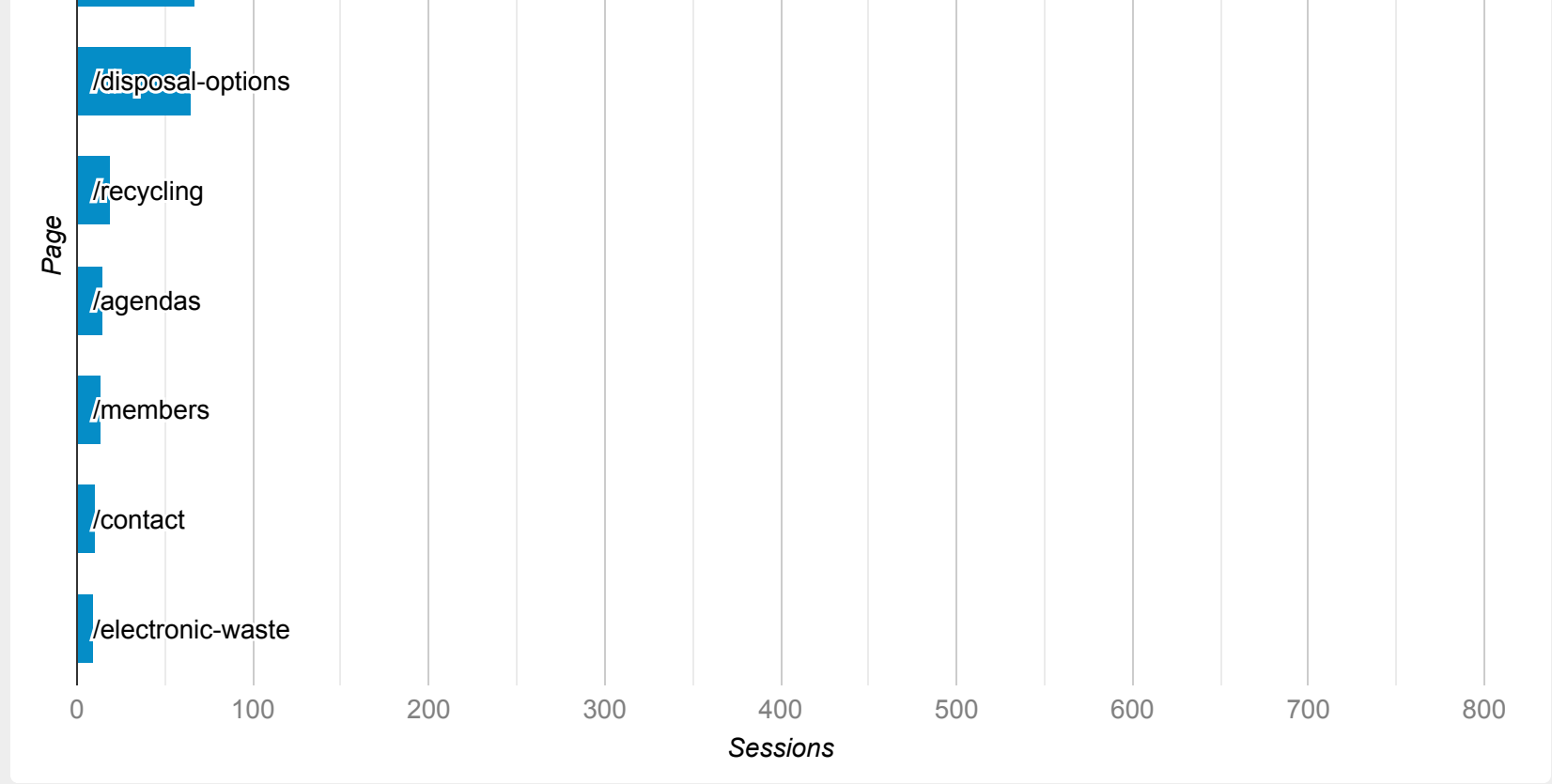
% New Visits
80.24%
Avg for View: 80.24% (0.00%)

Keywords
Keyword **Sessions**
There is no data for this view.

Referrerring Sites

Full Referrer	Sessions
(direct)	653
google	282
bing	50
facebook.com/	8
duckduckgo	7
yahoo	3
baidu.com/	2
cn.bing.com/	1
elainasblog.xyz/	1
ethelsblog.online/	1





RSWA Quarterly Dashboard

Apr 1, 2023 - Jun 30, 2023

All Users
100.00% Sessions

Visits

279
% of Total: 100.00% (279)



Unique Visitors

236
% of Total: 100.00% (236)



Pageviews

473
% of Total: 100.00% (473)



Pages / Visit

1.70
Avg for View: 1.70 (0.00%)



Avg. Visit Duration

00:01:08
Avg for View: 00:01:08 (0.00%)



% New Visits

82.44%
Avg for View: 82.44% (0.00%)



Keywords

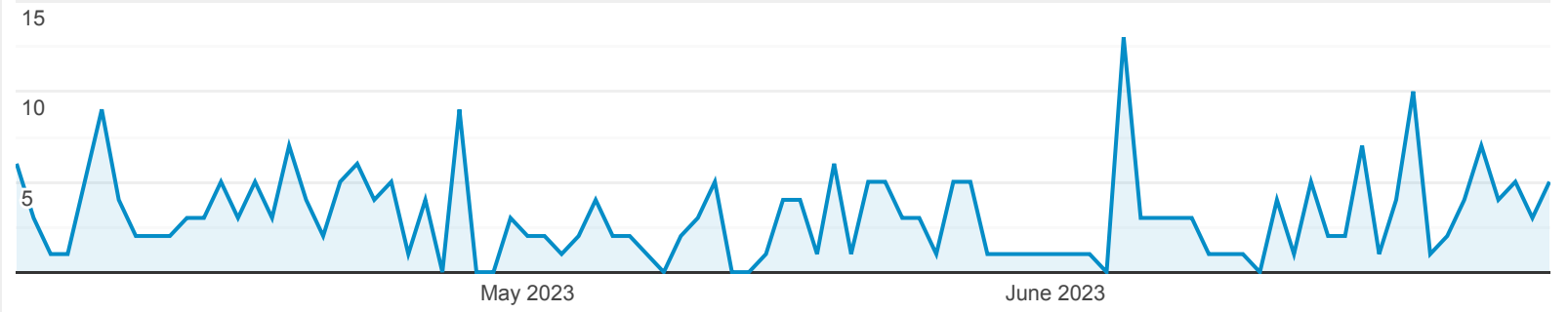
Keyword	Sessions
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Referrerring Sites

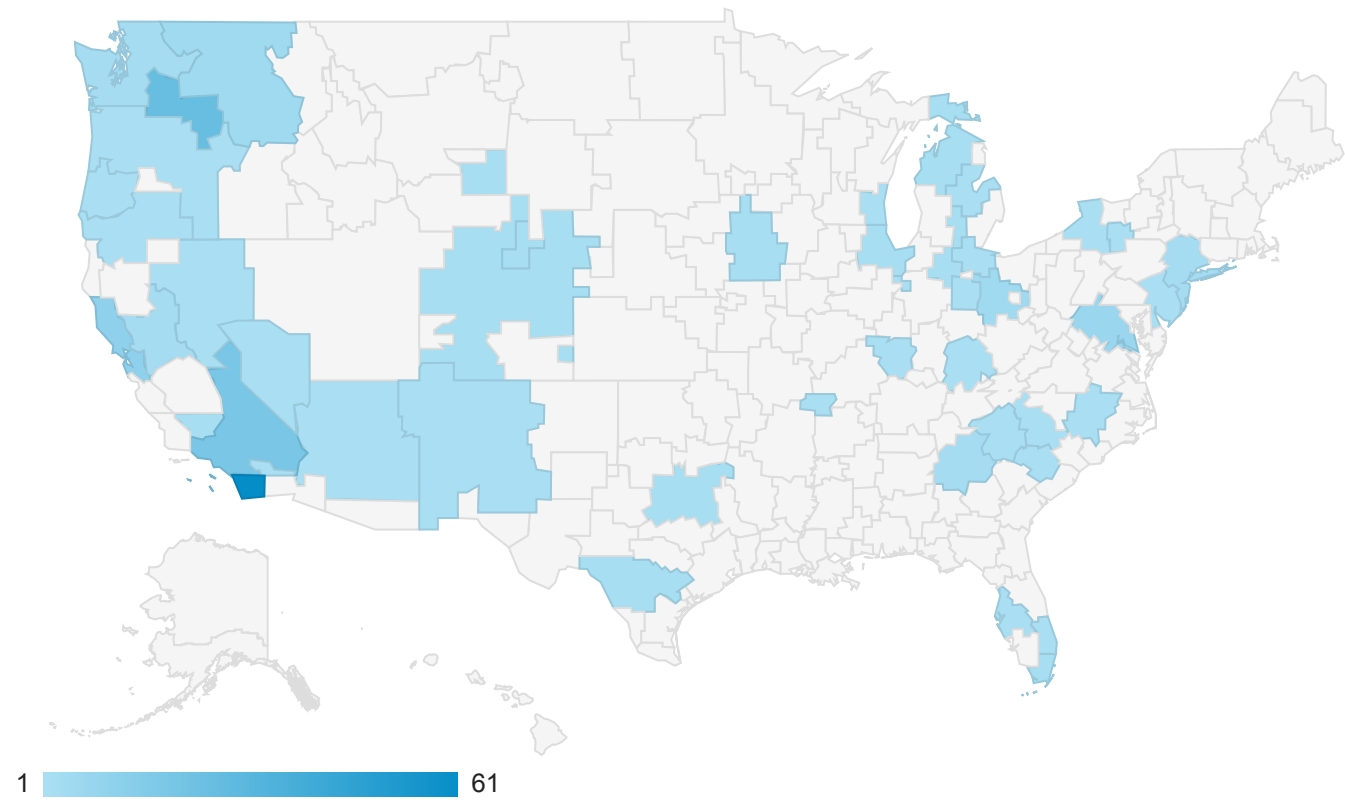
Full Referrer	Sessions
(direct)	199
google	67
bing	5
facebook.com/	3
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ethelsblog.online/	1
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Visits

Sessions

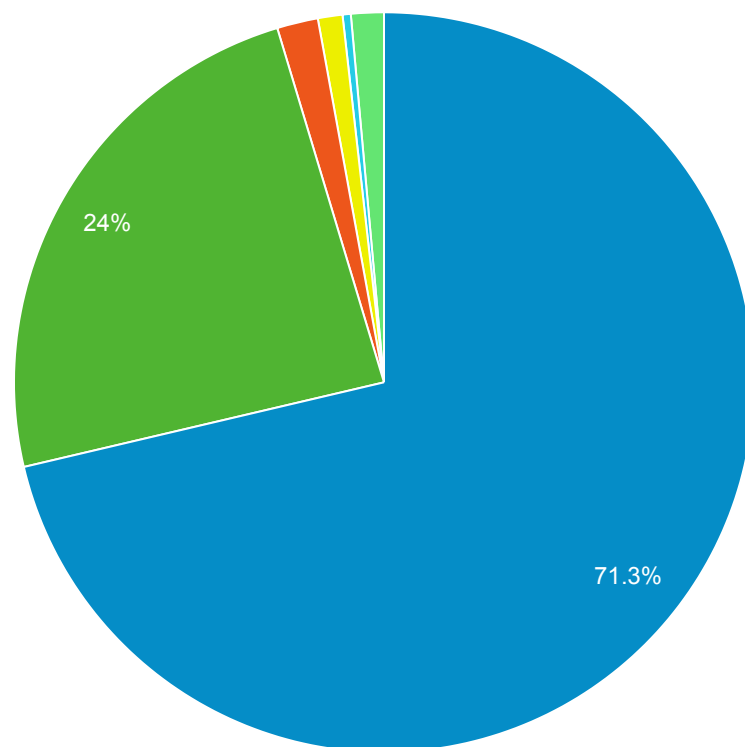


Visitor Map

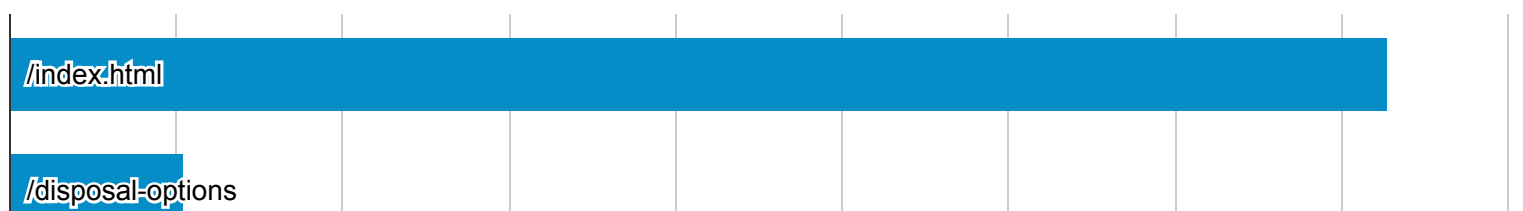


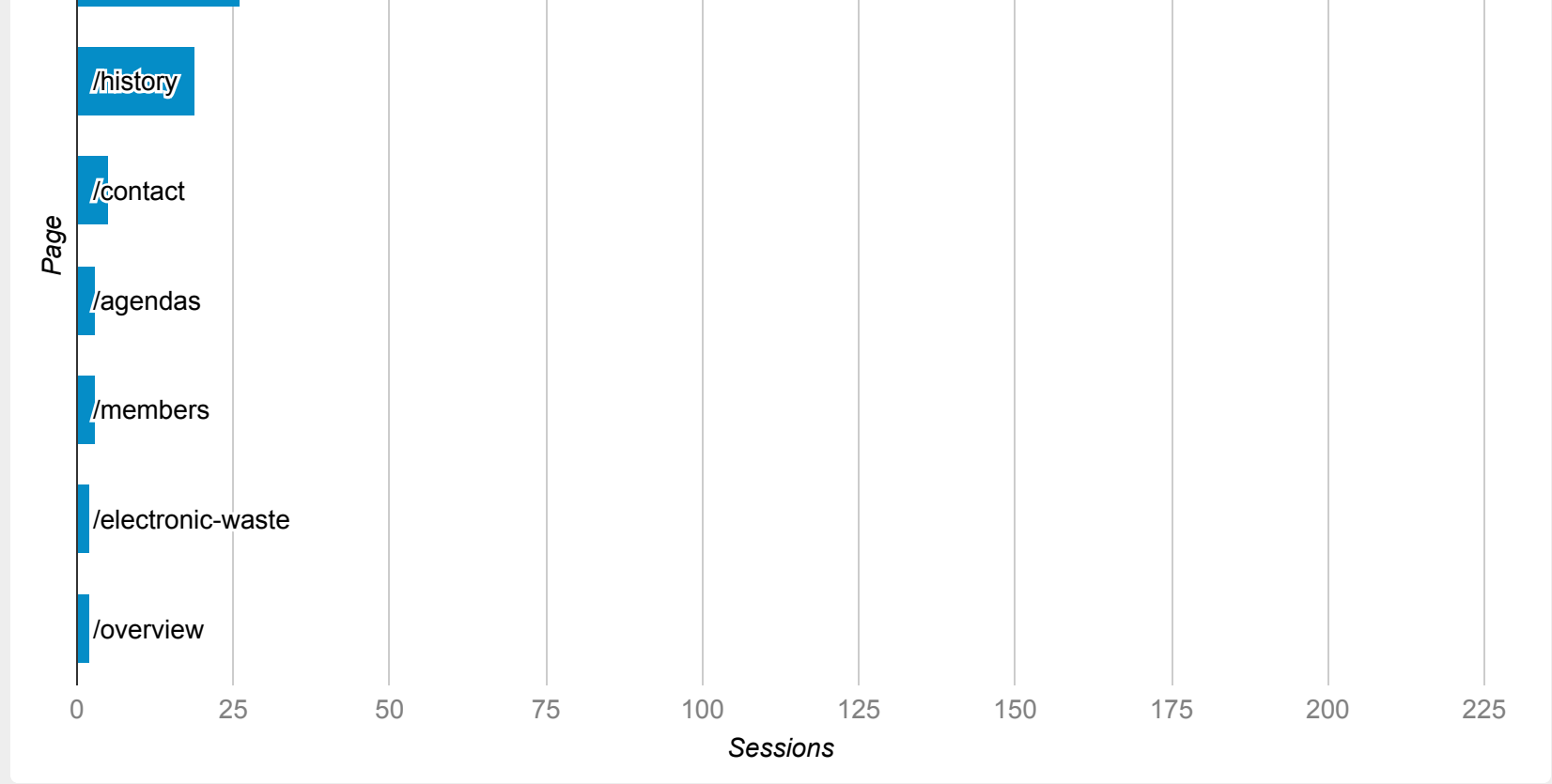
Visits by Source / Medium

(direct) / (none) google / organic bing / organic facebook.com / referral baidu.com / referral Other



Content Overview





Item 4.D.

**AMENDMENT NO. 1 TO
CONSULTANT SERVICES AGREEMENT**

This Amendment No. 1 to Consultant Services Agreement (“Agreement”) is made and entered into by and between the Regional Solid Waste Association (“Association”) and Woodruff & Smart (“Consultant”) effective July 13, 2023.

WHEREAS, Association and Consultant are parties to that certain Consultant Services Agreement, which became effective July 1, 2023 (the “Agreement”); and

WHEREAS, Consultant has amended its corporate name from Woodruff, Spradlin & Smart to Woodruff & Smart.

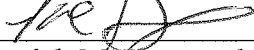
NOW, THEREFORE, Association and Consultant mutually agree as follows:

1. The Agreement is hereby amended to change Consultant’s name to “Woodruff & Smart”.
2. Consultants name for purposes of mailed notices set forth in Section 10 of the Agreement is hereby changed to Woodruff & Smart.
3. All other provisions of the Agreement not specifically amended herein shall remain in full force and effect as set forth therein.

“Consultant”

WOODRUFF & SMART
A Professional Corporation

Date: July 5, 2023

By: 
Patrick M. Desmond
President

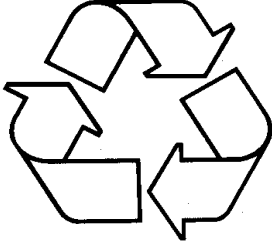
“Association”

REGIONAL SOLID WASTE ASSOCIATION

Date: _____, 2023

By: _____
Ron Morrison, Chairperson

Item 5.



REGIONAL SOLID WASTE ASSOCIATION

Member Agencies: Cities of Del Mar, Encinitas, Escondido,
National City, Poway, Solana Beach, and Vista

To: RSWA Board Members
 From: General Manager James H. Eggart
 Subject: Member City Reports on Use of RSWA Funding
 Date: July 13, 2023

BACKGROUND/DISCUSSION

Pursuant to its Environmental Enhancement Program, the Regional Solid Waste Association (RSWA) provides funding to its six (6) permanent members on an annual basis to be utilized for household hazardous waste programs, organic waste diversion initiatives, recycling, or other solid waste matters. For Fiscal Year 2022/2023, the RSWA Board allocated \$150,000 for the Environmental Enhancement Program. These funds are allocated in proportion to each member's solid waste tonnage as follows:

CITY	CITY % OF TOTAL	ALLOCATION TO CITY
Vista	36.26%	\$54,387
Encinitas	22.03%	\$33,046
Poway	19.17%	\$28,761
National City	16.09%	\$24,133
Solana Beach	3.78%	\$5,677
Del Mar	2.67%	\$3,996

In addition, each Member City received a \$7,000 Educational Appropriation, which is required to be utilized to support education related to HHW disposal and organic waste diversion.

As a condition to receiving these funds, each member city was asked to provide a letter to the RSWA Board outlining how the city utilized the funding. The letters provided by the cities are attached to this Report.

ATTACHMENTS

Letters from Member Cities



Date: June 14, 2023

To: Regional Solid Waste Association Board of Directors
James H. Eggart, General Manager

From: Leslie Webb-Blanco, Management Assistant
Joshua Sino Cruz, Management Analyst

Subject: City of Vista Use of Environmental Enhancement Funds, HHW/Organics
Educational Program Funding

Dear Board Members:

The City of Vista utilized Fiscal Year 2022/23 **Environmental Enhancement** funding to support educational outreach, recycling and litter abatement programs.

The City continues to contract with the job coaching programs, The ARC of San Diego and Pride Industries, formerly Partnerships with Industry, for litter abatement and recyclables diversion services in City parks and right of way areas.

Additionally, the City contracts with "I Love a Clean San Diego" (ILACSD) to provide community education and outreach to promote waste reduction, pollution prevention and recycling. ILACSD also provides community outreach services at special events to help connect participants with important solid waste and recycling resources.

The City utilized the **HHW / Organics Educational Program** funding for educational outreach.

This period, ILACSD delivered our 6th annual educational outreach event focused on food waste reduction and zero waste lifestyle. The "*Save Your Scraps!*" webinar included a staff-led tutorial and demonstrations to educate community members about zero waste lifestyle, organics waste reduction and composting.

The City also continued to work with EcoHero Show, LLC (EcoHero) to provide organics recycling and food waste reduction presentations for Vista Unified School District students. Through song, dance and storytelling, EcoHero staff introduce students to important environmental topics and encourages participants to become "Eco Heroes" in their community.

Staff continues to work to expand our social media community outreach campaign with a goal of increasing awareness and connecting residents, businesses and visitors with valuable waste reduction, diversion and recycling information and resources.

The City of Vista would like to thank RSWA for its continued support of this important solid waste and recycling programing.



City of Encinitas

DATE: June 30, 2023

TO: Regional Solid Waste Association Board of Directors
James Eggert, RSWA General Manager

FROM: Erik Steenblock, Environmental Programs Manager

SUBJECT: Fiscal Year 2023 Environmental Enhancement and Education
Compliance Program Funding

ENVIRONMENTAL ENHANCEMENT AND EDUCATION

In Fiscal Year 2023, Environmental Enhancement funds have been used to support the following education and community outreach programs in partnership with various service providers and organizations: 1) Zero Waste Workshop series culminating in an annual Zero Waste Fair, 2) waste diversion programs for elementary, middle, and high schools in Encinitas, and 3) community-wide organics recycling education and SB 1383 baseline program implementation.

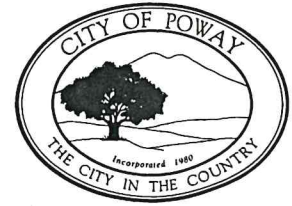
The city partners annually with I Love A Clean San Diego to produce and deliver a series of Zero Waste Workshops and a year-ending fair focused on reuse, repurposing, food waste reduction, organics recycling, environmental justice, and more. The 8th annual Zero-Waste Fair was recently held in Encinitas on June 24, 2023, with highlights including a panel of community environmental leaders and sustainable businesses, educational booths, vendors, and hands-on zero waste activities.

The City also partners with BCK Programs to implement waste diversion programs at six elementary schools, two middle schools, and one high school. 60 to 100 pounds of food waste are composted weekly at the six EUSD elementary schools through BCK's programming. In 2023 BCK worked with San Dieguito Academy to introduce organics recycling education and training through culinary class curriculum. Staff also introduced waste stations for middle school students to identify and manage multiple waste streams, including organics recycling.

Lastly, the City contracted with the Solana Center for Environmental Innovation to provide a variety of environmental education services including residential workshops and webinars on food waste prevention and composting/vermicomposting, technical assistance, and webinars for businesses to support them with SB 1383 compliance. Further, the city utilized Solana Center to provide foundational services in the establishment of programming to meet edible food recovery requirements defined by SB 1383.

STEVE VAUS, Mayor
CAYLIN FRANK, Deputy Mayor
PETER DE HOFF, Councilmember
BRIAN PEPIN, Councilmember

CITY OF POWAY



June 20, 2023

Regional Solid Waste Association
James H. Eggart, Esq., General Manager
555 Anton Boulevard, Suite 1200
Costa Mesa, CA 92626-7670

SUBJECT: OVERVIEW OF PROJECTS FROM THE 2022-23 ENHANCEMENT FUNDS

Dear RSWA Board Members and General Manager:

The Regional Solid Waste Association (RSWA) provides Environmental Enhancement Program (EEP) funding to its members for household hazardous waste programs, organic waste diversion initiatives, recycling, or other solid waste matters. EEP funding is critical to supporting the City of Poway's (City) solid waste programs. The following are highlights for the use of these funds for Fiscal Year 2022-23.

The City continues to partner with I Love A Clean San Diego and used EEP funds to provide educational recycling presentations to students within the Poway Unified School District. The presentations focused on organic waste reduction and prevention. I Love A Clean San Diego also hosted virtual and in-person waste diversion and waste reduction events for the community.

City staff also used EEP funding to purchase organics recycling bin lids for City facilities. Ten (10) 23-gallon organics container lids were purchased to place throughout City facilities. The City will continue to distribute the organics containers, along with additional education materials for City staff regarding proper organics recycling. The City will continue to assess bin configuration at various City facilities. In the future, funding may be used to purchase additional recycling bins to ensure they meet facility needs.

In addition, the City utilized EEP funding to continue utilizing Solana Center, under RSWA's current agreement, to provide consulting services to identify the City's Tier One and Tier Two generators lists in preparation for SB 1383 compliance requirements. Staff plans to allocate future EEP funds for outreach and education services related to providing technical assistance to both the Tier One and Tier Two generators.

The City appreciates the support received from RSWA. Funding allows the City to provide enhanced outreach and related services for its residents through its solid waste and recycling programs. The City values the joint and collaborative partnership RSWA provides as we continually seek to reduce waste in our region.

Sincerely,


Eric Heidemann
Director of Public Works

City Hall Located at 13325 Civic Center Drive
Mailing Address: P.O. Box 789, Poway, California 92074-0789
www.poway.org



June 28, 2023

Regional Solid Waste Association Board
James H. Eggart General Manager

Subject: Report to Regional Solid Waste Association Educational Expenditure of Funds

Dear James H. Eggart and RSWA Board:

The City of National City utilized its Fiscal Year 2022/2023 Environmental Enhancement funding to support the proper Household Hazardous Waste Disposal program that is available for National City residents at no cost. Residents can dispose of HHW items in the South Bay Household Hazardous Waste Collection facility, located in Chula Vista.

The City plans to use the HHW/Organics Educational Program funding for educational materials. The City will be distributing a Organics Recycling brochure that contains educational information for National City residents on the items that should be recycled, as well as all items that apply for Household Hazardous Waste with information on the proper location to dispose of them. This recycling brochure will be distributed to all National City Residents.

Sincerely,

A handwritten signature in black ink, appearing to read "Roberto Yano".

Roberto Yano
Director of Public Works/City Engineer

Engineering & Public Works Department
1243 National City Boulevard, National City, CA 91950-4301
619/336-4380 Fax 619/336-4397 www.nationalcityca.gov



CITY OF SOLANA BEACH

www.cityofsolanabeach.org

635 SOUTH HIGHWAY 101 • SOLANA BEACH, CA 92075 • (858) 720-2400 • Fax (858) 720-2455

June 30, 2023

The City of Solana Beach intends to use the Environmental Enhancement Program and Education funding in the same way as last year, to supplement our CalRecycle grant to provide education, outreach and technical assistance services to our Tier 1 and Tier 2 generators to maximize the diversion of organic waste from landfills. In addition, we are including our local schools in our SB 1383 compliance efforts this year. We have met with the School Administrators who are eager to work with the City to ensure compliance.

Thank you,

Dan King
Assistant City Manager
City of Solana Beach



CITY OF DEL MAR

TO: RSWA Board Members and General Manager James H. Eggart

FROM: Michael Luna, Special Projects and Programs Manager

DATE: June 21, 2023

SUBJECT: City of Del Mar's 2022-2023 Expenditure of RSWA Funds

Pursuant to its Environmental Enhancement Program, the Regional Solid Waste Association (RSWA) provides funding to its members on an annual basis for household hazardous waste programs, organic waste diversion initiatives, recycling, or other solid waste matters. For Fiscal Year (FY) 2022-2023, Del Mar received \$3,996.00 for its Environmental Enhancement Program allocation. That funding was spent on the following programs/initiatives:

- Consultant services to support the implementation of the City's SB 1383 action plan; including but not limited to:
 - Implementation of a new organics waiver process/procedure;
 - SB1383 Tier 1 & Tier 2 Edible Food Recovery inspections; and
- Purchase of three (3) stream waste bins for implementation at City facilities.

RSWA also appropriates funds to its members specifically for use in education efforts related to disposal of household hazardous waste (HHW) and organic waste. In FY 2022-2023, Del Mar received \$7,000 for its HHW/Organics Education Program allocation. That funding was spent on the following programs/initiatives:

- Communication services to educate Del Mar's residents and businesses on food waste reduction strategies and organic waste disposal options;
- Technical assistance & education provided to business regarding donation programs for edible food generators; and
- Consultant services to assist the City with preparing for and complying with SB 1383.

The City appreciates RSWA's continued financial support for its solid waste and recycling programs, and particularly the additional funding to help educate Del Mar residents and businesses on the importance of organic waste diversion. The City looks forward to continuing to expand these programs in the years to come with RSWA's support.

If you have any questions or need further information, please do not hesitate to contact Michael Luna at 858-704-3632 or mluna@delmar.ca.us.



June 30, 2023

Dear James Eggart and RSWA board members:

The City of Escondido Recycling Division recently hosted its 30th annual Earth Day poster contest for all K-8 students at both public and private schools, using \$1,800 of Educational Appropriation funding. The contest highlights recycling and the proper disposal of HHW and its effect on the environment.

A portion of the funds was dedicated to sponsoring biannual e-waste events with Escondido Disposal. About \$800 was spent to staff the events.

Advertising at the local DMV is another successful outreach. The city's HHW message is on a continuous video loop at a cost of \$3,400.

The final \$1,000 purchased computer calendars promoting the proper disposal of HHW. The popular strip calendars are affixed with an easily removable adhesive that makes them an ideal annual giveaway. The calendars are distributed throughout city offices to hundreds of city employees who can, in turn, pass along the message of handling household hazardous waste.

We so appreciate the support we receive from RSWA. In addition to the Educational Appropriation funds, the networking and professional community RSWA provides has been an invaluable resource for the City of Escondido's Recycling Division.

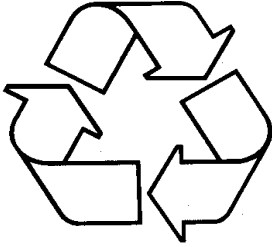
Sincerely,

A handwritten signature in blue ink, appearing to read "Lori Calvert". The signature is fluid and cursive, with a long horizontal line extending to the right.

Lori Calvert

Recycling Program Coordinator – City of Escondido

Item 6.



REGIONAL SOLID WASTE ASSOCIATION

Member Agencies: Cities of Del Mar, Encinitas, Escondido,
National City, Poway, Solana Beach, and Vista

To: RSWA Board Members
From: General Manager James H. Eggart
Subject: SB 1383 Compliance Support Services Update
Date: July 13, 2023

BACKGROUND/DISCUSSION

On March 25, 2021, RSWA entered into an Agreement for Professional Consultant Services with Solana Center for Environmental Innovation ("Solana Center") to provide specified SB 1383 compliance services to the six regular RSWA Member Cities (the "Agreement"). The Agreement provided for Solana Center to perform certain "Core Tasks" benefitting all of the Cities at RSWA's cost, and also contained an ala carte list of "Optional Tasks" Solana Center agreed to perform for the Cities at the Cities' cost through December 31, 2021.

After Solana Center completed all deliverables for the "Core Tasks" under the original Agreement, on December 9, 2021, the Board approved Amendment No. 2 to the Agreement to add additional "Core Tasks" to the Scope of Work. On April 15, 2022, per the Board's authorization, the General Manager executed Amendment No. 3 to the Agreement on behalf of RSWA (1) to reallocate the existing budgeted funds for the Core Tasks under Amendment No. 2 and (2) to add a new Optional Task for the provision of as needed implementation assistance to the RSWA Member Cities at a fixed hourly rate.

Solana Center completed all "Core Tasks" tasks and related deliverables pursuant to Amendments No. 2 and No. 3 in 2022.

At its October 6, 2022 meeting, the Board authorized the General Manager to enter into a fourth amendment to the Agreement and increased the FY 2022/2023 budget for SB 1383 Compliance Funding to \$65,000. Pursuant to the Amendment No. 4, the term of the Agreement was extended through June 30, 2023, the list of "Optional Services" available to the RSWA Member Cities was narrowed down to those services the Cities indicated they are most likely to utilize, and the scope and pricing of these services was refined and updated.

In addition, to assist the Cities, RSWA agreed to pay 100% of the “Program Management” Costs associated with Solana Center providing the services. These include costs associated with accounting and invoicing, preparing reports, and communicating with City staff and other stakeholders (such as CalRecycle and the County). Costs for invoicing, communicating with, and providing reports to RSWA are also included in the “Program Management” costs. “Program Management” costs payable by RSWA were capped at \$40,000 for October through June, 2023. Through June 30th, Solana Center has invoiced RSWA for \$33,525 for “Program Management” costs under Amendment No. 4.

Amendment No. 4 also allocated an additional \$25,000 to partially offset expenditures the RSWA Member Cities incur for the services provided by Solana Center under the proposed contract amendment. This sum is apportioned amongst the six Cities in rough proportion to the number of Tier 1 / Tier 2 businesses and food recovery agencies in each City. Each City’s allocation is deducted off the top from that City’s invoice from Solana Center until it is exhausted and billed to RSWA instead. The offset has been exhausted for all of the Member Cities other than National City, which still has \$4,950 in offsets remaining.

On June 6, 2023, the General Manager entered into a fifth amendment to the Agreement with Solana Center on behalf of RSWA, extending its term for one additional month, through July 31, 2023. The purpose of Amendment No. 5 was to enable the Member Cities to continue to utilize Solana Center’s services under the RSWA agreement (and the remaining offset amounts) pending the Board’s consideration and adoption of the Budgets and discussion of this item at its July 13th Board meeting. The Board previously authorized the General Manager to approve modifications or amendments to the Agreement for Professional Services between RSWA and Solana Center, which do not result in increases in cost to RSWA above budgeted and allocated amounts approved by the Board. The maximum cost payable by RSWA for services provided in July is capped at \$15,000, which is the amount *currently* allocated for SB 1383 Compliance Services under the initial FY 2023/2024 Budget adopted by the Board on June 30, 2022. Actual costs payable by RSWA for July are anticipated to be less than \$15,000, however.

It is the General Manager’s understanding that the Member Cities would like to continue to have the option to utilize Solana Center’s SB 1383 Compliance Services through the existing established contracting arrangement between RSWA and Solana Center. Based on this understanding, the General Manager has engaged in discussions with Solana Center about extending the Agreement and the basic parameters of what a sixth amendment to the Agreement would look like. Based on these discussions, as well as the Budget Subcommittee’s recommendations, the General Manager is proposing the following general framework for Amendment No. 6:

- The Scope of Services Solana Center would make available to the Cities would be refined based City requests and the experience gleaned from the past year, and the pricing would be updated. Solana

Center has provided the Cities with its proposed new pricing and Scope of Services and engaged in discussions with the Cities.

- Cities would pay their own “program management” costs for the services they request. RSWA would no longer cover these costs directly or provide direct “offsets” of costs Solana Center invoices the Cities. Instead, RSWA would directly allocate funding to the Member Cities through a new Budget line item, which the Cities may choose to use to contract with Solana Center using the Scope of Work and Pricing in the RSWA Agreement. As a result, direct invoicing to RSWA by Solana Center will be largely eliminated or minimized.
- RSWA would continue to pay Solana Center a small amount (i.e., \$9,600 per year) to cover certain administrative contract administration, accounting and reporting costs. Solana Center would continue to provide quarterly status reports and presentations to the Board and General Manager regarding the services it is providing to the Cities.

Based on (and subject to) the direction provided by the Board at the July 13th meeting, the General Manager will endeavor to negotiate and enter into Amendment No. 6 to the Agreement with Solana Center consistent with the Board’s direction and the adopted Budgets.

Amendment No. 5 and a summary of amounts paid by RSWA under Amendment No. 4 through June 30th are attached to this Report. The Board will also receive a further status update at its July 13, 2023, meeting.

RECOMMENDED ACTION

Receive a status update, discuss the proposed framework of Amendment No. 6 to the Agreement for Professional Services with Solana Center, and provide direction and/or authorization to the General Manager.

ATTACHMENTS

1. Amendment No. 5 to Agreement
2. Summary of Invoiced Costs through June 30, 2023

AMENDMENT NO. 5 TO AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES BETWEEN THE REGIONAL SOLID WASTE ASSOCIATION AND SOLANA CENTER FOR ENVIRONMENTAL INNOVATION

This Amendment No. 5 to Agreement for Professional Consultant Services (“Amendment No. 5”) is made and entered into as of the date of execution by the Regional Solid Waste Association, a California public entity (“RSWA”) and Solana Center for Environmental Innovation, a California nonprofit corporation (“Consultant”). RSWA and Consultant are sometimes hereinafter individually referred to as “Party” and are hereinafter collectively referred to as the “Parties.”

RECITALS

A. This Amendment No. 5 is entered into pursuant to the authorization of RSWA’s Board of Directors dated March 31, 2022.

B. The Parties previously entered into that certain Agreement for Professional Consultant Services, dated March 25, 2021 (“Original Agreement”), Amendment No. 1 to Agreement for Professional Services, dated May 26, 2021 (“Amendment No. 1”), Amendment No. 2 to Agreement for Professional Services, dated December 15, 2021 (“Amendment No. 2”), Amendment No. 3 to the Agreement dated April 15, 2022 (“Amendment No. 3”), and Amendment No. 4 to the Agreement dated October 10, 2022 (“Amendment No. 4”). The Original Agreement, Amendment No. 1, Amendment No. 2, Amendment No. 3, and Amendment No. 4 are collectively referred to in this Amendment No. 5 as the “Agreement”.

C. Through Amendment No. 4, the Parties amended the Agreement to extend the term of the Agreement through June 30, 2023, and to update the scope, cost, and provisions for payment pertaining to services available to be provided by Consultant to RSWA Members upon request.

D. Through this Amendment No. 5, the Parties mutually desire to amend the Agreement to extend the term of the Agreement for one additional month, through July 31, 2023, subject to the terms set forth below.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, the Parties agree as follows:

1. Term of Agreement. This Amendment No. 5 shall cover Consultant’s services provided from July 1, 2023 through July 31, 2023, unless earlier terminated or superseded by mutual agreement of the Parties. The term of the Agreement is extended accordingly.
2. Scope of Work. Consultant agrees to continue to provide RSWA and the RSWA Members with Described Services set forth in Attachment A to Amendment No. 4 at amounts that do not exceed the unit costs stated in Attachment A to Amendment No. 4. Except as otherwise provided in this Amendment No. 5, Consultant’s provision of the Described Services shall continue to be subject to the terms set forth in Amendment No. 4.

3. Payment for Services.

A. Except as otherwise expressly provided in this Amendment No. 5, the provisions of Section 3 of Amendment No. 4 shall govern payment and billing for services rendered by Consultant pursuant to this Amendment No. 5.

B. Notwithstanding the foregoing, unless otherwise authorized in writing by RSWA, the total compensation payable by RSWA to Consultant for work during the extended term covered by this Amendment No. 5 shall not exceed Fifteen Thousand Dollars (\$15,000.00).

4. Except as expressly amended herein, all other terms and provisions of the Agreement shall remain in full force and effect.

5. This Amendment No. 5 may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument. These counterparts may be transmitted by Portable Document Format (PDF), with the originals to be thereafter provided by the Parties. Such electronic copies shall be deemed original signatures.

IN WITNESS WHEREOF, the Parties have executed and entered into this Amendment No. 5 as of the last date written below.

REGIONAL SOLID WASTE ASSOCIATION,
a public entity

Date: 6/6/2023

By: James H. Eggart
James H. Eggart
General Manager

Digitally signed by James H. Eggart
Date: 2023.06.06 15:55:04 -07'00'

SOLANA CENTER FOR ENVIRONMENTAL INNOVATION, a California nonprofit corporation

Date: 6/6/2023

By: Jessica Toth
Jessica Toth
Executive Director

Digitally signed by Jessica Toth
Date: 2023.06.06 15:46:57 -07'00'

CONTRACT OVERVIEW

RSWA

SB 1383 Compliance Support Services

Services delivered by Solana Center for Environmental Innovation

Tasks	Annual Cost	Invoiced	Remaining	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Stakeholder Engagement for Del Mar (NTE \$2700)	\$ 2,700.00	\$ 2,550.00	\$ 150.00	\$ 300.00	\$ 250.00	\$ 275.00	\$ 300.00	\$ 300.00	\$ 300.00
Stakeholder Engagement for Encinitas (NTE \$2700)	\$ 2,700.00	\$ 2,700.00	\$ -	\$ 125.00	\$ -	\$ 100.00	\$ 975.00	\$ -	\$ -
Stakeholder Engagement for National City (NTE \$2700)	\$ 2,700.00	\$ 1,850.00	\$ 850.00	\$ 125.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ -	\$ 175.00
Stakeholder Engagement for Poway (NTE \$2700)	\$ 2,700.00	\$ 2,600.00	\$ 100.00	\$ 300.00	\$ 300.00	\$ 250.00	\$ 350.00	\$ 300.00	\$ 300.00
Stakeholder Engagement for Solana Beach (NTE \$2700)	\$ 2,700.00	\$ 2,700.00	\$ -	\$ 100.00	\$ 125.00	\$ 125.00	\$ 525.00	\$ 25.00	\$ 300.00
Stakeholder Engagement for Vista (NTE \$2700)	\$ 2,700.00	\$ 2,700.00	\$ -	\$ 100.00	\$ 75.00	\$ 250.00	\$ 550.00	\$ 300.00	\$ 275.00
Reporting & Accounting for Del Mar (NTE \$3150)	\$ 3,150.00	\$ 3,125.00	\$ 25.00	\$ 325.00	\$ 175.00	\$ 100.00	\$ 350.00	\$ 575.00	\$ 500.00
Reporting & Accounting for Encinitas (NTE \$3150)	\$ 3,150.00	\$ -	\$ 3,150.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reporting & Accounting for National City (NTE \$3150)	\$ 3,150.00	\$ 1,075.00	\$ 2,075.00	\$ -	\$ 100.00	\$ 50.00	\$ -	\$ -	\$ -
Reporting & Accounting for Poway (NTE \$3150)	\$ 3,150.00	\$ 3,075.00	\$ 75.00	\$ 350.00	\$ 125.00	\$ 200.00	\$ 675.00	\$ 350.00	\$ 350.00
Reporting & Accounting for Solana Beach (NTE \$3150)	\$ 3,150.00	\$ 3,100.00	\$ 50.00	\$ -	\$ -	\$ 50.00	\$ -	\$ 350.00	\$ 1,275.00
Reporting & Accounting for Vista(NTE \$3150)	\$ 3,150.00	\$ 3,150.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350.00	\$ 1,225.00
Program Management*	\$ 4,900.00	\$ 4,900.00	\$ -	\$ 500.00	\$ 550.00	\$ 550.00	\$ 550.00	\$ 550.00	\$ 550.00
Cost offset for Del Mar (\$1000)	\$ 1,000.00	\$ 1,000.00	\$ -	\$ 750.00	\$ 250.00	\$ -	\$ -	\$ -	\$ -
Cost offset for Encinitas (\$4500)	\$ 4,500.00	\$ 4,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cost offset for National City (\$7900)	\$ 7,900.00	\$ 2,950.00	\$ 4,950.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cost offset for Poway (\$3900)	\$ 3,900.00	\$ 3,900.00	\$ -	\$ 1,375.00	\$ 725.00	\$ 1,800.00	\$ -	\$ -	\$ -
Cost offset for Solana Beach (\$700)	\$ 700.00	\$ 700.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300.00	\$ 400.00
Cost offset for Vista (\$7000)	\$ 7,000.00	\$ 7,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,350.00	\$ 500.00
TOTAL	\$ 65,000.00	\$ 53,575.00	\$ 11,425.00	\$ 4,350.00	\$ 2,725.00	\$ 3,800.00	\$ 4,325.00	\$ 5,750.00	\$ 6,150.00

CONTRACT OVERVIEW

RSWA

SB 1383 Compliance Support Services

Services delivered by Solana Center for Environmental Innovation

Tasks	Annual Cost	Invoiced	Remaining	Apr-23	May-23	Jun-23
Stakeholder Engagement for Del Mar (NTE \$2700)	\$ 2,700.00	\$ 2,550.00	\$ 150.00	\$ 325.00	\$ 300.00	\$ 200.00
Stakeholder Engagement for Encinitas (NTE \$2700)	\$ 2,700.00	\$ 2,700.00	\$ -	\$ 350.00	\$ 150.00	\$ 1,000.00
Stakeholder Engagement for National City (NTE \$2700)	\$ 2,700.00	\$ 1,850.00	\$ 850.00	\$ 525.00	\$ 150.00	\$ 725.00
Stakeholder Engagement for Poway (NTE \$2700)	\$ 2,700.00	\$ 2,600.00	\$ 100.00	\$ 300.00	\$ 300.00	\$ 200.00
Stakeholder Engagement for Solana Beach (NTE \$2700)	\$ 2,700.00	\$ 2,700.00	\$ -	\$ 875.00	\$ 325.00	\$ 300.00
Stakeholder Engagement for Vista (NTE \$2700)	\$ 2,700.00	\$ 2,700.00	\$ -	\$ 475.00	\$ 350.00	\$ 325.00
Reporting & Accounting for Del Mar (NTE \$3150)	\$ 3,150.00	\$ 3,125.00	\$ 25.00	\$ 400.00	\$ 375.00	\$ 325.00
Reporting & Accounting for Encinitas (NTE \$3150)	\$ 3,150.00	\$ -	\$ 3,150.00	\$ -	\$ -	\$ -
Reporting & Accounting for National City (NTE \$3150)	\$ 3,150.00	\$ 1,075.00	\$ 2,075.00	\$ 125.00	\$ 200.00	\$ 600.00
Reporting & Accounting for Poway (NTE \$3150)	\$ 3,150.00	\$ 3,075.00	\$ 75.00	\$ 400.00	\$ 350.00	\$ 275.00
Reporting & Accounting for Solana Beach (NTE \$3150)	\$ 3,150.00	\$ 3,100.00	\$ 50.00	\$ 700.00	\$ 375.00	\$ 350.00
Reporting & Accounting for Vista(NTE \$3150)	\$ 3,150.00	\$ 3,150.00	\$ -	\$ 875.00	\$ 350.00	\$ 350.00
Program Management*	\$ 4,900.00	\$ 4,900.00	\$ -	\$ 550.00	\$ 550.00	\$ 550.00
Cost offset for Del Mar (\$1000)	\$ 1,000.00	\$ 1,000.00	\$ -	\$ -	\$ -	\$ -
Cost offset for Encinitas (\$4500)	\$ 4,500.00	\$ 4,500.00	\$ -	\$ -	\$ -	\$ 4,500.00
Cost offset for National City (\$7900)	\$ 7,900.00	\$ 2,950.00	\$ 4,950.00	\$ -	\$ -	\$ 2,950.00
Cost offset for Poway (\$3900)	\$ 3,900.00	\$ 3,900.00	\$ -	\$ -	\$ -	\$ -
Cost offset for Solana Beach (\$700)	\$ 700.00	\$ 700.00	\$ -	\$ -	\$ -	\$ -
Cost offset for Vista (\$7000)	\$ 7,000.00	\$ 7,000.00	\$ -	\$ 2,309.96	\$ 1,840.04	\$ -
TOTAL	\$ 65,000.00	\$ 53,575.00	\$ 11,425.00	\$ 8,209.96	\$ 5,615.04	\$ 12,650.00

Item 7.A.

CITY OF NATIONAL CITY MEMORANDUM

TO: James H. Eggart, RSWA General Manager/General Counsel
FROM: Phillip Davis, Financial Analyst
DATE: July 5, 2023
SUBJECT: Regional Solid Waste Association's Investment Report

BACKGROUND

An investment report shall be submitted to the Regional Solid Waste Association (RSWA) Board. The report shall include information in accordance with Section 53646(b) of the California Government Code.

RESULTS

The invested RSWA cash balance as of June 30, 2023 was \$350,432.

The cash activities of RSWA are accounted for in a separate fund (Fund 730) within the City of National City's general ledger. Investment earnings are allocated to RSWA on a monthly basis, based upon RSWA's cash balance as a percentage of the City's overall cash balances.

RSWA's cash balance is available on an "on demand" basis with immediate liquidity. The most recent Investment Report for month ended April 30, 2023 was accepted by the City Council on June 20, 2023.

RSWA is in compliance with its adopted investment policy and California Government Code.



AGENDA REPORT

Department: Administrative Services - Finance
Prepared by: Kecia Carrasco, Accountant
Meeting Date: Tuesday, June 20, 2023
Approved by: Armando Vergara, Interim City Manager

SUBJECT:

Investment transactions for the month ended April 30, 2023.

RECOMMENDATION:

Accept and file the Investment Transaction Ledger for the month ended April 30, 2023.

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

In accordance with California Government Code Section 53646 and Section XIIA of the City of National City's investment policy, a monthly report shall be submitted to the legislative body accounting for transactions made during the reporting period.

The attached listing reflects investment transactions of the City of National City's Investment Portfolio for the month ending April 30, 2023.

FINANCIAL STATEMENT:

In this period, there were acquisitions of \$529,148.63 and dispositions of \$517,976.97.

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Balanced Budget and Economic Development

ENVIRONMENTAL REVIEW:

This is not a project under CEQA and is therefore not subject to environmental review.

PUBLIC NOTIFICATION:

Agenda Report posted within 72 hours of meeting date and time in accordance with Brown Act.

ORDINANCE:

Not Applicable

EXHIBIT:

Exhibit A – 2023-0430 Investment Transaction Ledger



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	04/04/2023	60934N807	636.61	Federated Investors Govt Oblig Fund Inst.	1.000	4.41%	636.61	0.00	636.61	0.00
Purchase	04/13/2023	60934N807	3,382.50	Federated Investors Govt Oblig Fund Inst.	1.000	4.41%	3,382.50	0.00	3,382.50	0.00
Purchase	04/15/2023	60934N807	1,218.75	Federated Investors Govt Oblig Fund Inst.	1.000	4.41%	1,218.75	0.00	1,218.75	0.00
Purchase	04/16/2023	60934N807	2,457.75	Federated Investors Govt Oblig Fund Inst.	1.000	4.41%	2,457.75	0.00	2,457.75	0.00
Purchase	04/17/2023	60934N807	305.50	Federated Investors Govt Oblig Fund Inst.	1.000	4.41%	305.50	0.00	305.50	0.00
Purchase	04/17/2023	60934N807	483.08	Federated Investors Govt Oblig Fund Inst.	1.000	4.41%	483.08	0.00	483.08	0.00
Purchase	04/17/2023	60934N807	58.50	Federated Investors Govt Oblig Fund Inst.	1.000	4.41%	58.50	0.00	58.50	0.00
Purchase	04/17/2023	60934N807	290.00	Federated Investors Govt Oblig Fund Inst.	1.000	4.41%	290.00	0.00	290.00	0.00
Purchase	04/17/2023	60934N807	3,543.25	Federated Investors Govt Oblig Fund Inst.	1.000	4.41%	3,543.25	0.00	3,543.25	0.00
Purchase	04/17/2023	60934N807	5,164.85	Federated Investors Govt Oblig Fund Inst.	1.000	4.41%	5,164.85	0.00	5,164.85	0.00
Purchase	04/17/2023	60934N807	4,783.17	Federated Investors Govt Oblig Fund Inst.	1.000	4.41%	4,783.17	0.00	4,783.17	0.00
Purchase	04/17/2023	60934N807	11,741.62	Federated Investors Govt Oblig Fund Inst.	1.000	4.41%	11,741.62	0.00	11,741.62	0.00
Purchase	04/17/2023	60934N807	8,851.42	Federated Investors Govt Oblig Fund Inst.	1.000	4.41%	8,851.42	0.00	8,851.42	0.00
Purchase	04/17/2023	60934N807	9,607.44	Federated Investors Govt Oblig Fund Inst.	1.000	4.41%	9,607.44	0.00	9,607.44	0.00
Purchase	04/17/2023	60934N807	4,802.90	Federated Investors Govt Oblig Fund Inst.	1.000	4.41%	4,802.90	0.00	4,802.90	0.00
Purchase	04/17/2023	60934N807	6,707.34	Federated Investors Govt Oblig Fund Inst.	1.000	4.41%	6,707.34	0.00	6,707.34	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	04/17/2023	60934N807	14,462.40	Federated Investors Govt Oblig Fund Inst.	1.000	4.41%	14,462.40	0.00	14,462.40	0.00
Purchase	04/18/2023	60934N807	11,718.45	Federated Investors Govt Oblig Fund Inst.	1.000	4.41%	11,718.45	0.00	11,718.45	0.00
Purchase	04/19/2023	3130ATS57	400,000.00	FHLB Note 4.5% Due 3/10/2028	103.022	3.82%	412,088.00	1,950.00	414,038.00	0.00
Purchase	04/21/2023	60934N807	88.00	Federated Investors Govt Oblig Fund Inst.	1.000	4.41%	88.00	0.00	88.00	0.00
Purchase	04/21/2023	60934N807	4,140.22	Federated Investors Govt Oblig Fund Inst.	1.000	4.41%	4,140.22	0.00	4,140.22	0.00
Purchase	04/21/2023	60934N807	2,755.39	Federated Investors Govt Oblig Fund Inst.	1.000	4.41%	2,755.39	0.00	2,755.39	0.00
Purchase	04/25/2023	60934N807	2,125.00	Federated Investors Govt Oblig Fund Inst.	1.000	4.41%	2,125.00	0.00	2,125.00	0.00
Purchase	04/25/2023	60934N807	120.62	Federated Investors Govt Oblig Fund Inst.	1.000	4.41%	120.62	0.00	120.62	0.00
Purchase	04/25/2023	60934N807	9,228.37	Federated Investors Govt Oblig Fund Inst.	1.000	4.41%	9,228.37	0.00	9,228.37	0.00
Purchase	04/30/2023	60934N807	6,437.50	Federated Investors Govt Oblig Fund Inst.	1.000	4.46%	6,437.50	0.00	6,437.50	0.00
Subtotal			515,110.63				527,198.63	1,950.00	529,148.63	0.00
TOTAL ACQUISITIONS			515,110.63				527,198.63	1,950.00	529,148.63	0.00
DISPOSITIONS										
Sale	04/19/2023	3135G05G4	350,000.00	FNMA Note 0.25% Due 7/10/2023	98.919	5.11%	346,216.50	240.63	346,457.13	-3,031.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Sale	04/19/2023	60934N807	67,580.87	Federated Investors Govt Oblig Fund Inst.	1.000	4.41%	67,580.87	0.00	67,580.87	0.00
Subtotal			417,580.87				413,797.37	240.63	414,038.00	-3,031.00
Paydown	04/17/2023	43815BAC4	0.00	Honda Auto Receivables Trust 2022-1 A3 1.88% Due 5/15/2026	100.000		0.00	305.50	305.50	0.00
Paydown	04/17/2023	47787JAC2	0.00	John Deere Owner Trust 2022-A A3 2.32% Due 9/16/2026	100.000		0.00	290.00	290.00	0.00
Paydown	04/17/2023	47787NAC3	3,535.97	John Deere Owner Trust 2020-B A3 0.51% Due 11/15/2024	100.000		3,535.97	7.28	3,543.25	0.54
Paydown	04/17/2023	47788UAC6	5,140.46	John Deere Owner Trust 2021-A A3 0.36% Due 9/15/2025	100.000		5,140.46	24.39	5,164.85	0.99
Paydown	04/17/2023	47789KAC7	4,767.21	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	100.000		4,767.21	15.96	4,783.17	0.29
Paydown	04/17/2023	47789QAC4	0.00	John Deere Owner Trust 2021-B A3 0.52% Due 3/16/2026	100.000		0.00	58.50	58.50	0.00
Paydown	04/17/2023	47800AAC4	0.00	John Deere Owner Trust 2022-B A3 3.74% Due 2/16/2027	100.000		0.00	483.08	483.08	0.00
Paydown	04/17/2023	58769KAD6	11,694.47	Mercedes-Benz Auto Lease Trust 2021-B A3 0.4% Due 11/15/2024	100.000		11,694.47	47.15	11,741.62	0.88
Paydown	04/17/2023	65479JAD5	8,837.20	Nissan Auto Receivables Owner 2019-C A3 1.93% Due 7/15/2024	100.000		8,837.20	14.22	8,851.42	0.46
Paydown	04/17/2023	89232HAC9	9,581.74	Toyota Auto Receivable Own 2020-A A3 1.66% Due 5/15/2024	100.000		9,581.74	25.70	9,607.44	-220.83
Paydown	04/17/2023	89236XAC0	4,793.16	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	100.000		4,793.16	9.74	4,802.90	0.89
Paydown	04/17/2023	89237VAB5	6,693.66	Toyota Auto Receivables Trust 2020-C A3 0.44% Due 10/15/2024	100.000		6,693.66	13.68	6,707.34	0.52



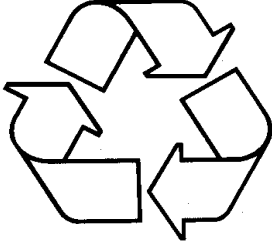
Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Paydown	04/17/2023	89240BAC2	14,428.34	Toyota Auto Receivables Owners 2021-A A3 0.26% Due 5/15/2025	100.000		14,428.34	34.06	14,462.40	2.68
Paydown	04/18/2023	43813KAC6	11,690.82	Honda Auto Receivables Trust 2020-3 A3 0.37% Due 10/18/2024	100.000		11,690.82	27.63	11,718.45	1.72
Paydown	04/21/2023	43813GAC5	4,130.33	Honda Auto Receivables Trust 2021-1 A3 0.27% Due 4/21/2025	100.000		4,130.33	9.89	4,140.22	0.08
Paydown	04/21/2023	43813RAC1	2,744.30	Honda Auto Receivables 2020-1 A3 1.61% Due 4/22/2024	100.000		2,744.30	11.09	2,755.39	0.54
Paydown	04/21/2023	43815GAC3	0.00	Honda Auto Receivables Trust 2021-4 A3 0.88% Due 1/21/2026	100.000		0.00	88.00	88.00	0.00
Paydown	04/25/2023	05601XAC3	10.62	BMW Vehicle Lease Trust 2022-1 A3 1.1% Due 3/25/2025	100.000		10.62	110.00	120.62	0.00
Paydown	04/25/2023	09690AAC7	9,208.71	BMW Vehicle Lease Trust 2021-2 A3 0.33% Due 12/26/2024	100.000		9,208.71	19.66	9,228.37	0.95
Subtotal			97,256.99				97,256.99	1,595.53	98,852.52	-210.29
Security Withdrawal	04/03/2023	60934N807	2,539.33	Federated Investors Govt Oblig Fund Inst.	1.000		2,539.33	0.00	2,539.33	0.00
Security Withdrawal	04/18/2023	60934N807	2,547.12	Federated Investors Govt Oblig Fund Inst.	1.000		2,547.12	0.00	2,547.12	0.00
Subtotal			5,086.45				5,086.45	0.00	5,086.45	0.00
TOTAL DISPOSITIONS			519,924.31				516,140.81	1,836.16	517,976.97	-3,241.29

OTHER TRANSACTIONS										
Interest	04/13/2023	023135CF1	205,000.00	Amazon.com Inc Callable Note Cont 3/13/2027 3.3% Due 4/13/2027	0.000		3,382.50	0.00	3,382.50	0.00
Interest	04/15/2023	91282CBV2	650,000.00	US Treasury Note 0.375% Due 4/15/2024	0.000		1,218.75	0.00	1,218.75	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
OTHER TRANSACTIONS										
Interest	04/16/2023	3137EAEY1	630,000.00	FHLMC Note 0.125% Due 10/16/2023	0.000		393.75	0.00	393.75	0.00
Interest	04/16/2023	45950KCR9	300,000.00	International Finance Corp Note 1.375% Due 10/16/2024	0.000		2,064.00	0.00	2,064.00	0.00
Interest	04/25/2023	06406RAX5	500,000.00	Bank of NY Mellon Corp Callable Note Cont 9/25/2024 0.85% Due 10/25/2024	0.000		2,125.00	0.00	2,125.00	0.00
Interest	04/30/2023	91282CAT8	650,000.00	US Treasury Note 0.25% Due 10/31/2025	0.000		812.50	0.00	812.50	0.00
Interest	04/30/2023	91282CDG3	1,000,000.00	US Treasury Note 1.125% Due 10/31/2026	0.000		5,625.00	0.00	5,625.00	0.00
Subtotal			3,935,000.00				15,621.50	0.00	15,621.50	0.00
Dividend	04/04/2023	60934N807	83,855.61	Federated Investors Govt Oblig Fund Inst.	0.000		636.61	0.00	636.61	0.00
Subtotal			83,855.61				636.61	0.00	636.61	0.00
TOTAL OTHER TRANSACTIONS			4,018,855.61				16,258.11	0.00	16,258.11	0.00

Item 7.B.



**REGIONAL SOLID WASTE
ASSOCIATION**

Member Agencies: Cities of Del Mar, Encinitas, Escondido,
National City, Poway, Solana Beach, and Vista

To: RSWA Board Members
From: General Manager James H. Eggart
Subject: Fourth Quarter FY 22/23 Budget and Expenditure Status – Item 7.B.
Date: RSWA Agenda July 13, 2023

Attached for your information are the following reports:

The Financial Status Report as of June 30, 2023 (Fourth Quarter FY 2022/2023) which shows a Fund Balance for the Fourth Quarter in the amount of \$350,432.

The RSWA Cash Activity Report as of June 30, 2023.

CITY OF NATIONAL CITY

MEMORANDUM

TO: James H. Eggart, RSWA General Manager/General Counsel

FROM: Phillip Davis, Financial Analyst

DATE: July 5, 2023

SUBJECT: Regional Solid Waste Association's Budget Status

Attached are the Financial Status Report and Cash Activity Report for the Regional Solid Waste Association (RSWA) for the fiscal year (FY) 2022-23. The attached reports present activity from July 1, 2022 through June 30, 2023.

REVENUES

Year-to-date (YTD) activity includes actual revenue of \$387,914 which represents 94.65 percent of the FY 2022-23 budgeted revenue. Actual revenues are consistent with what would be expected at the end of the fourth quarter.

EXPENDITURES

The YTD activity includes actual expenditures through June 30, 2023, totaling \$365,412 which represents 81.56 percent of the FY 2022-23 budgeted amount. The actual expenditures are consistent with what would be expected at this time.

FUND BALANCE

The total fund balance as of June 30, 2023 is \$350,432 which includes a balance of \$80,000 set aside and reserved for two household hazardous waste facility closures in the future.

**REGIONAL SOLID WASTE ASSOCIATION
FY 2022-2023 FINANCIAL STATUS REPORT
AS OF JUNE 30, 2023**

	ANNUAL BUDGET	ACTUAL THRU 6/30/2023	% of Budget
BEGINNING BALANCE (6-30-2022 Fund Balance)	\$ 322,632	\$ 322,632	
GASB 31 FAIR MARKET VALUE ADJ		5,298	
ADJUSTED BEGINNING BALANCE		327,930	
 REVENUES			
DISPOSAL AGREEMENT VOLUME REBATE	301,852	301,852	100.00%
DISPOSAL AGREEMENT AMENDMENT PAYMENT	50,000	50,000	100.00%
HHW NON-MEMBER	50,000	41,054	82.11%
INVESTMENT EARNINGS**	8,000	305	3.81%
GASB 31 FAIR MARKET VALUE ADJ	-	(5,298)	0.00%
TOTAL REVENUES	409,852	387,914	94.65%
 EXPENDITURES			
DIRECTOR STIPENDS/PAYROLL PROCESSING	12,000	7,412	61.77%
INSURANCE	8,000	8,000	100.00%
TRAINING, TRAVEL AND MEETINGS	8,000	1,495	18.69%
AUDIT SERVICES	5,000	-	0.00%
LEGAL SERVICES	30,000	20,000	66.67%
CONSULTANT SERVICES	45,000	33,000	73.33%
REIMBURSEMENTS	1,000	1,000	99.98%
HHW & ORGANIC EDUCATION	49,000	49,000	100.00%
HHW PERMITS	5,000	2,578	51.56%
HHW FACILITY SECURITY & PHONE	3,250	3,248	99.94%
WEBSITE MAINTENANCE	1,310	1,310	100.00%
SPECIAL PROGRAMS (HHW & ORGANICS)	3,000	-	0.00%
SB 1383 COMPLIANCE FUNDING	65,000	35,310	54.32%
EQUITY ADJUSTMENT PAYMENT	42,479	42,479	100.00%
ENVIRONMENTAL ENHANCEMENT PROGRAM	150,000	150,000	100.00%
TREASURER/CONTROLLER	10,000	10,000	100.00%
CONTINGENCY*	10,000	580	5.80%
TOTAL EXPENDITURES	448,039	365,412	81.56%
 TOTAL ENDING FUND BALANCE	 \$ 284,445	 \$ 350,432	
 CASH		\$ 350,432	
TOTAL ASSETS		\$ 350,432	
 ACCOUNTS PAYABLE		\$ -	
TOTAL LIABILITIES		\$ -	
 FUND BALANCE, UNRESERVED/UNDESIGNATED		\$ 270,432	
VISTA HHW FACILITY CLOSURE DESIGNATION		40,000	
POWAY HHW FACILITY CLOSURE DESIGNATION		40,000	
TOTAL FUND BALANCE		\$ 350,432	
 TOTAL LIABILITIES AND FUND BALANCE		\$ 350,432	

**Investment Earnings through 10/31/2022

* CONTINGENCY PAYMENTS

EQUITY ADJUSTMENT PAYMENT \$280

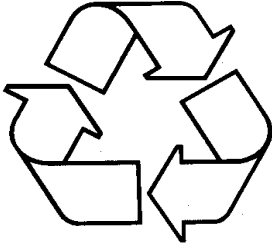
INSURANCE \$166

REIMBURSEMENTS \$134

**RSWA Cash Account
JULY 1, 2022 - JUNE 30, 2023**

Date	Check #	Name	Description	Deposit	Disbursement	Cash Balance
7/1/2022		BALANCE CARRIED FORWARD FROM 6/30/2022				322,631.80
7/8/2021	359041	WOODRUFF, SPRADLIN & SMART	LEGAL SERVICES (JUL-SEP 2022)		5,000.00	317,631.80
7/8/2021	359041	WOODRUFF, SPRADLIN & SMART	GENERAL MANAGER SVCS (JULY 2022)		2,750.00	314,881.80
7/1/2022		EDCO	EDCO CONTRACT VOLUME REBATE-1st Q	75,463.02		390,344.82
7/12/2022	358979	ALLIANT INSURANCE SERVICES	COMMERCIAL CRIME INSURANCE POLICY		2,605.00	387,739.82
7/12/2022	358993	COUNTY OF SAN DIEGO	UNIFIED PROGRAM FACILITY PERMIT-POWAY		2,578.00	385,161.82
7/18/2022	359180	PROGRESSIVE TECHNOLOGY SECURITY SYS	HHW SECURITY SYSTEM MONITORING		2,448.00	382,713.82
7/18/2022	359136	CITY OF DEL MAR	HHW EDUC APPROPRIATION FY22/23		7,000.00	375,713.82
7/18/2022	359137	CITY OF ENCINITAS	HHW EDUC APPROPRIATION FY22/23		7,000.00	368,713.82
7/18/2022	359138	CITY OF ESCONDIDO	HHW EDUC APPROPRIATION FY22/23		7,000.00	361,713.82
7/18/2022	360279	CITY OF NATIONAL CITY	HHW EDUC APPROPRIATION FY22/23		7,000.00	354,713.82
7/18/2022	359141	CITY OF POWAY	HHW EDUC APPROPRIATION FY22/23		7,000.00	347,713.82
7/18/2022	359142	CITY OF SOLANA BEACH	HHW EDUC APPROPRIATION FY22/23		7,000.00	340,713.82
7/18/2022	359143	CITY OF VISTA	HHW EDUC APPROPRIATION FY22/23		7,000.00	333,713.82
7/18/2022	359193	THE SIMPLE WEB SOLUTION	WEBSITE MAINT/HOSTING/DOMAIN FY 22/23		1,309.98	332,403.84
9/29/2022	360075	WOODRUFF, SPRADLIN & SMART	GENERAL MANAGER SVCS (AUG 2022)		2,750.00	329,653.84
9/15/2022	360076	WOODRUFF, SPRADLIN & SMART	GENERAL MANAGER SVCS (SEPT 2022)		2,750.00	326,903.84
10/6/2022	360254	WOODRUFF, SPRADLIN & SMART	HHW PHONE REIMBURSEMENT		800.00	326,103.84
10/6/2022	360191	ALLIANT INSURANCE SERVICES	SPECIAL LIABILITY INSURANCE PROGRAM		5,560.88	320,542.96
10/6/2022		EDCO	EDCO CONTRACT VOLUME REBATE-2nd Q	75,463.01		396,005.97
10/13/2022	360425	WOODRUFF, SPRADLIN & SMART	LEGAL SERVICES (OCT-DEC 2022)		5,000.00	391,005.97
10/13/2022	360425	WOODRUFF, SPRADLIN & SMART	GENERAL MANAGER SVCS (OCT 2022)		2,750.00	388,255.97
10/20/2022	DIR DEP	BOARD OF DIR STIPEND PAYMENTS	VARIOUS MEETING DATES		4,699.28	383,556.69
10/20/2022	ACH	CAPFORGE	PAYROLL PROCESSING		145.00	383,411.69
10/31/2022		INVESTMENT EARNINGS	JULY 1 TO OCT 31, 2022	305.13		383,716.82
11/9/2022		CLEAN EARTH QUARTER 1 PAYMENT	JULY 1 TO SEPT 30, 2022 PERIOD	16,442.94		400,159.76
12/12/2022	DIR DEP	BOARD OF DIR STIPEND PAYMENTS	VARIOUS MEETING DATES		662.36	399,497.40
12/12/2022	ACH	CAPFORGE	PAYROLL PROCESSING		145.00	399,352.40
1/6/2023		EDCO	EDCO CONTRACT VOLUME REBATE-3rd Q	75,463.01		474,815.41
1/12/2023	361494	CITY OF DEL MAR	ENVIRONMENTAL FUND DIST FY 22/23		3,996.00	470,819.41
1/12/2023	361495	CITY OF ENCINITAS	ENVIRONMENTAL FUND DIST FY 22/23		33,046.00	437,773.41
1/12/2023	361496	CITY OF NATIONAL CITY	ENVIRONMENTAL FUND DIST FY 22/23		24,133.00	413,640.41
1/12/2023	361497	CITY OF POWAY	ENVIRONMENTAL FUND DIST FY 22/23		28,761.00	384,879.41
1/12/2023	361498	CITY OF SOLANA BEACH	ENVIRONMENTAL FUND DIST FY 22/23		5,677.00	379,202.41
1/12/2023	361499	CITY OF VISTA	ENVIRONMENTAL FUND DIST FY 22/23		54,387.00	324,815.41
1/12/2023	361551	SOLANA CENTER FOR ENVIRON INNOVATION	SB1383 COMPLIANCE SUPP SVCS (OCT 2022)		4,350.00	320,465.41
1/12/2023	361552	SOLANA CENTER FOR ENVIRON INNOVATION	SB1383 COMPLIANCE SUPP SVCS (DEC 2022)		3,800.00	316,665.41
1/12/2023	361553	SOLANA CENTER FOR ENVIRON INNOVATION	SB1383 COMPLIANCE SUPP SVCS (NOV 2022)		2,725.00	313,940.41
1/12/2023	361570	WOODRUFF, SPRADLIN & SMART	LEGAL SERVICES (JAN-MARCH 2023)		5,000.00	308,940.41
1/12/2023	361571	WOODRUFF, SPRADLIN & SMART	GENERAL MANAGER SVCS (NOV 2022)		2,750.00	306,190.41
1/12/2023	361572	WOODRUFF, SPRADLIN & SMART	GENERAL MANAGER SVCS (DEC 2022)		2,750.00	303,440.41
1/12/2023	361573	WOODRUFF, SPRADLIN & SMART	GENERAL MANAGER SVCS (JAN 2023)		2,750.00	300,690.41
1/12/2023	361574	WOODRUFF, SPRADLIN & SMART	REIMB -INCIDENTAL CHARGES (OCT 2022)		414.07	300,276.34
1/12/2023	361575	WOODRUFF, SPRADLIN & SMART	REIMB -INCIDENTAL CHARGES (NOV 2022)		243.91	300,032.43
1/19/2023		CLEAN EARTH QUARTER 2 PAYMENT	OCT TO DEC 2022 PERIOD	10,998.66		311,031.09
2/23/2023		EDCO	EDCO DISPOSAL AGREEMENT ONE-TIME PYMT	25,000.00		336,031.09
2/2/2023	361875	WOODRUFF, SPRADLIN & SMART	REIMB -INCIDENTAL CHARGES (DEC 2022)		149.67	335,881.42
3/9/2023	362396	SOLANA CENTER FOR ENVIRON INNOVATION	SB1383 COMPLIANCE SUPP SVCS (JAN 2023)		4,325.00	331,556.42
3/9/2023	362407	WOODRUFF, SPRADLIN & SMART	GENERAL MANAGER SVCS (FEB 2023)		2,750.00	328,806.42
3/9/2023	362407	WOODRUFF, SPRADLIN & SMART	REIMB -INCIDENTAL CHARGES (JAN 2023)		85.50	328,720.92
3/23/2023	362538	SOLANA CENTER FOR ENVIRON INNOVATION	SB1383 COMPLIANCE SUPP SVCS (FEB 2023)		5,750.00	322,970.92
3/23/2023	362562	WOODRUFF, SPRADLIN & SMART	GENERAL MANAGER SVCS (MAR 2023)		2,750.00	320,220.92
4/6/2023	362822	WOODRUFF, SPRADLIN & SMART	GENERAL MANAGER SVCS (APR 2023)		2,750.00	317,470.92
4/6/2023	362822	WOODRUFF, SPRADLIN & SMART	LEGAL SERVICES (JAN-MARCH 2023)		5,000.00	312,470.92
4/11/2023		EDCO	EDCO DISPOSAL AGREEMENT ONE-TIME PYMT	25,000.00		337,470.92
4/11/2023		EDCO	EDCO CONTRACT VOLUME REBATE-4TH Q	75,463.01		412,933.93
4/27/2023	363145	SOLANA CENTER FOR ENVIRON INNOVATION	SB1383 COMPLIANCE SUPP SVCS (MAR 2023)		6,150.00	406,783.93
4/27/2023	363162	WOODRUFF, SPRADLIN & SMART	REIMB -INCIDENTAL CHARGES (MAR 2023)		98.82	406,685.11
5/10/2023		CLEAN EARTH QUARTER 2 PAYMENT	JAN TO MAR 2023 PERIOD	13,612.74		420,297.85
5/25/2023	363551	WOODRUFF & SMART	GENERAL MANAGER SVCS (MAY 2023)		2,750.00	417,547.85
5/31/2023	363835	WOODRUFF & SMART	GENERAL MANAGER SVCS (JUN 2023)		2,750.00	414,797.85
5/31/2023	363835	WOODRUFF & SMART	REIMB -INCIDENTAL CHARGES (APR 2023)		21.25	414,776.60
5/31/2023	363799	CITY OF NATIONAL CITY	EQUITY ADJUSTMENT PAYMENT		19,552.00	395,224.60
5/31/2023	363800	CITY OF POWAY	EQUITY ADJUSTMENT PAYMENT		23,207.00	372,017.60
5/31/2023	363830	SOLANA CENTER FOR ENVIRON INNOVATION	SB1383 COMPLIANCE SUPP SVCS (APR 2023)		8,209.96	363,807.64
6/26/2023	DIR DEP	BOARD OF DIR STIPEND PAYMENTS	VARIOUS MEETING DATES		1,614.77	362,192.87
6/28/2023	364074	WOODRUFF & SMART	REIMB -INCIDENTAL CHARGES (MAY 2023)		1,615.57	360,577.30
6/29/2023	364014	CAPFORGE	PAYROLL PROCESSING		145.00	360,432.30
6/30/2023	ACCT PAY	CITY OF NATIONAL CITY	TREASURER/CONTROLLER SERVICES		10,000.00	350,432.30
TOTALS				393,211.52	365,411.02	350,432.30

Item 7.C.



REGIONAL SOLID WASTE ASSOCIATION

Member Agencies: Cities of Del Mar, Encinitas, Escondido,
National City, Poway, Solana Beach, and Vista

To: RSWA Board Members
 From: General Manager James H. Eggart
 Subject: Proposed FY 2023/2024 and FY 2024/2025 Budgets
 Date: July 13, 2023

HISTORY/BACKGROUND

Historically, the RSWA Board has annually adopted two-year budgets. The RSWA Board adopted an initial Budget for Fiscal Year 2023/2024 at its June 30, 2022 meeting. At its April 6, 2023 meeting, the RSWA Board appointed a Budget Subcommittee to meet and make recommendations for adoption of an amended Budget for Fiscal Year 2023/2024 and a new Budget for Fiscal Year 2024/2025. The Budget Subcommittee is comprised of Chairperson Morrison, Vice-Chairperson Worden, and Treasurer Green. The Budget Subcommittee met on June 7, 2023. This Memorandum provides additional detail on the components of the RSWA’s Budget and the Subcommittee’s recommendations.

ESTIMATED REVENUES

Disposal Agreement Volume Rebate

2022/2023 Amount	2023/2024 Adopted Budget	2023/2024 Proposed Amended Budget	2024/2025 Proposed Budget
\$301,852	\$301,852	\$401,852	\$401,852

The majority of RSWA’s revenues are derived from the “Volume Rebate” paid by EDCO Disposal Corporation (EDCO) pursuant to the Transfer and Disposal Services Agreement between the RSWA and EDCO. For FY 2022/2023, the actual Volume Rebate paid by EDCO was \$301,852.

RSWA and EDCO entered into an amendment to this Agreement in October 2022. Pursuant to the amended Agreement, the amount of the Volume Rebate payment for FY 2023/2024 was established to be \$401,852, which is approximately \$84,000 more than what the Volume Rebate amount would have been without the amendment.

The actual amount of the Volume Rebate for FY 2024/2025 will be calculated in the first quarter of 2024 based on the formula established in the amended Agreement. Pursuant to this formula, the annual adjustment to the Volume Rebate is the sum of the “CPI component” and the “volume component.” The CPI component is calculated by multiplying the prior year’s Volume Rebate amount by the increase in the CPI for the immediately preceding year, with a floor of 2% and a cap of 5%. The volume component is calculated by multiplying 1/3 the Volume Rebate amount as increased by the CPI component by the percentage increase in the total aggregate volume of waste generated by the RSWA cities over the preceding year. Because the Volume Rebate amount for FY 2024/2025 cannot yet be calculated, the Budget Subcommittee recommends that the FY 2023/2024 amount be used for FY 2024/2025, which is consistent with historical practice. This estimate will be updated to reflect the actual amount when the RSWA Board goes through the budgeting process again next year.

Disposal Agreement Amendment Payment.

2022/2023 Amount	2023/2024 Adopted Budget	2023/2024 Proposed Amended Budget	2024/2025 Proposed Budget
\$50,000	\$0	\$0	\$0

Pursuant to the October 2022 amendment to the Transfer and Disposal Agreement, EDCO agreed to make a one-time payment of \$50,000 to RSWA in FY 2022/2023. This revenue item will not appear in future years.

HHW Non-Member Revenue

2021/2022 Estimated Amount	2022/2023 Adopted Budget	2022/2023 Proposed Amended Budget	2023/2024 Proposed Budget
\$55,000	\$50,000	\$50,000	\$50,000

This revenue source is derived from the Household Hazardous Waste Inter-Jurisdictional Agreements between RSWA and the Cities of Carlsbad and San Marcos, pursuant to which some of the HHW drop-off and home pick-up services available to RSWA City residents are extended to the residents of Carlsbad and San Marcos. Carlsbad and San Marcos pay a slightly higher rate than the RSWA cities for these services, and RSWA keeps the revenue generated by this rate differential.

It is estimated that total Non-Member HHW Revenues for FY 2022/2023 will slightly exceed the amount of \$50,000 budgeted for this revenue item. Because this revenue source is highly variable and subject to events outside of RSWA’s control, however, the RSWA Board has traditionally estimated conservatively when establishing the budgeted amount for this item of revenue. The Budget Subcommittee is recommending that the estimated amount for this item remain at \$50,000 for each of FY 2023/2024 and 2024/2025.

Investment Earnings

2022/2023 Estimated Amount	2023/2024 Adopted Budget	2023/2024 Proposed Amended Budget	2024/2025 Proposed Budget
\$4,000	\$8,000	\$4,000	\$4,000

All of RSWA's funds are invested in the City of National City's portfolio. RSWA has a separate fund within National City's portfolio and an undivided interest therein. Investment earnings are periodically allocated to RSWA based on upon RSWA's cash balance as a percentage of the overall National City portfolio. Total investment earnings for FY 2022/2023 have not yet been calculated, but it is estimated they will total approximately \$4,000. The City of National City projects that investment earnings will remain at about the same level for the next two years. Based on the City's projections, the Budget Subcommittee is recommending that the estimated amount for this revenue item be decreased from \$8,000 to \$4,000 for each of FY 2023/2024 and 2024/2025.

EXPENDITURESDirector Stipends / Payroll Processing

2022/2023 Estimated Amount	2023/2024 Adopted Budget	2023/2024 Proposed Amended Budget	2024/2025 Proposed Budget
\$7,500	\$10,000	\$8,500	\$8,500

This expenditure item consists of Board Member stipend payments (\$150 per meeting), RSWA's share of mandatory employer taxes, and payroll processing fees paid to RSWA's third-party payroll vendor. The current FY 2023/2024 Budget allocates \$10,000 for this item; however, assuming a normal meeting schedule, the actual amount is expected to be less. The Budget Subcommittee is recommending that the estimated amount for this expenditure item be set at \$8,500 for both FY 2023/2024 and FY 2024/2025.

Insurance

2022/2023 Amount	2023/2024 Adopted Budget	2023/2024 Proposed Amended Budget	2024/2025 Proposed Budget
\$8,166	\$8,000	\$9,500	\$9,500

RSWA maintains both a special liability insurance policy and a crime insurance policy to protect the organization and Board Members from liability and loss. In FY 2022/2023, the premiums for these two policies totaled \$8,166. It is anticipated that premiums for both policies may increase slightly for FY 2023/2024, but the total amounts are not yet known. To account for potential increases, the Budget Subcommittee is recommending that the annual budget for Insurance be increased to \$9,500 for both FY 2023/2024 and 2024/2025.

Training, Travel and Meetings

2022/2023 Estimated Amount	2023/2024 Adopted Budget	2023/2024 Proposed Amended Budget	2024/2025 Proposed Budget
\$3,126	\$9,000	\$9,000	\$9,000

This expenditure item primarily covers costs for Board Member travel to and attendance at conferences. Historically, one to three Board Members have attended conferences each year. The current FY 2023/2024 Budget for this item is \$9,000, and the Budget Subcommittee is recommending it remain at this level for FY 2023/2024 and FY 2024/2025. This amount would accommodate two to three Board Members per year attending WasteExpo.

Audit Services

2022/2023 Estimated Amount	2023/2024 Adopted Budget	2023/2024 Proposed Amended Budget	2024/2025 Proposed Budget
\$4,000	\$5,000	\$4,000	\$4,000

RSWA's financial statements are audited by the City of National City's auditor, and National City includes the cost for the RSWA audit in its contract with the auditor. Per the City, RSWA's share of the cost of the annual audit is anticipated to be \$4,000 in each of the next two Fiscal Years. Accordingly, the Budget Subcommittee recommends the annual budget for Audit Services be set at \$4,000 in each of FY 2023/2024 and FY 2024/2025.

Legal Services

2022/2023 Estimated Amount	2023/2024 Adopted Budget	2023/2024 Proposed Amended Budget	2024/2025 Proposed Budget
\$30,000	\$30,000	\$30,000	\$30,000

RSWA contracts with Woodruff & Smart (Woodruff) for legal services. The Legal Services Budget generally covers the following services:

- Attendance of RSWA Meetings. The Agreement specifically provides that attendance at meetings be billed at the legal services rate in consideration for Woodruff providing General Manager services at a rate lower than it typically charges its clients for legal services.
- Negotiation and preparation of contracts.
- Insurance and risk management services.
- Preparation of Board Resolutions, Bylaws, and similar legal documents.
- Research and preparation of memorandums and presentations to the Board of Directors regarding pending legislation pertaining to household hazardous waste, organic waste, and other pertinent solid waste issues.
- Research and monitoring of state and local HHW, organics disposal, and other pertinent solid waste regulations that impact RSWA and RSWA Member Cities.
- Research and advice concerning compliance with State laws governing public agencies, such as the Brown Act, the Political Reform Act, the Public Records Act, laws governing the investment of public funds, and laws requiring the reporting of specified financial and compensation information.

Pursuant to the agreement between RSWA and Woodruff, Woodruff is paid a monthly retainer of \$2,250 (\$27,000 annually) for legal services, with any costs for legal services that exceed the annualized retainer amount payable at the end of the fiscal year following review and approval of the RSWA Executive Committee. The Budget Subcommittee is recommending that the budgeted amount for Legal Services be maintained at its current level of \$30,000 for each of FY 2023/2024 and FY 2024/2025.

Consultant Services

2022/2023 Estimated Amount	2023/2024 Adopted Budget	2023/2024 Proposed Amended Budget	2024/2025 Proposed Budget
\$33,000	\$45,000	\$55,000	\$55,000

Consultant Services includes General Manager services and other ancillary services of consultants needed by RSWA from time to time (consultant services for SB 1383 compliance support services are covered by a separate budget line item). RSWA also contracts with Woodruff for General Manager

services. For the Board’s information, the Consultant Services budget generally covers the following General Manager services:

- Organization of Quarterly RSWA Board meetings and Subcommittee meetings.
- Preparation of agendas, detailed agenda packets, and materials for RSWA Board and Subcommittee meetings.
- Preparation for RSWA Board and Subcommittee meetings.
- Preparation of formal minutes from RSWA Board and Subcommittee Meetings.
- Facilitating the posting and publication of agendas, meeting materials, and meeting minutes in compliance with law.
- Serving as filing official for Board Member’s Annual Statement of Economic Interests and administering electronic filing through the County’s eDisclosure system.
- Administration and management of RSWA vendors and consultants. This includes management of the contract with Solana Center for SB 1383 compliance services and related frequent interfacing with City staff.
- Frequent Communications with Board Members, Member cities, EDCO, Clean Earth, third-party organizations, and members of the public on RSWA-related matters.
- Working with the City of National City on all RSWA financial matters. This includes submitting invoices to National City for the payment of RSWA expenses and appropriations; reviewing quarterly accounting, financial, and investment reports generated by National City for RSWA funds and seeking clarification and correction when necessary; working with National City to reconcile payroll statements with withdrawals by the RSWA’s third-party payroll vendor; and reviewing and providing comments on documents related to the annual audit of RSWA’s funds.
- Working with a payroll vendor for the payment of Board member stipends. On an ongoing, basis, this includes providing stipend amounts to the payroll vendor, reviewing payroll reports generated by the payroll vendor and obtaining clarifications when necessary, transmitting paycheck information to Board Members, and monitoring the submission of payroll taxes and other withholdings by the payroll vendor.
- Preparation of the draft Budgets.
- Administration of the RSWA’s HHW program. This includes frequent interfacing with Stericycle, EDCO, and City staff on HHW facility issues, responding to inquiries from residents about disposal of HHW, securing permits for the Poway and Vista HHW facilities, reviewing and monitoring the filing of necessary legal compliance documents for the Poway and Vista HHW facilities with CalRecycle and the County of San Diego, administration of the non-Member HHW contracts with Carlsbad and San Marcos, billing of Stericycle for Non-Member HHW amounts; and interfacing with the City of Encinitas on compilation of quarterly HHW collection data and preparation of quarterly HHW participation reports for the Board.

- Preparation and filing of annual compensation reports with the State Controller’s Office.
- Review of EDCO’s annual calculation of tip fees for Member Cities and the annual Volume Rebate amount and calculation of annual Equity Adjustment Payment amounts.
- Securing crime and liability insurance for the RSWA on an annual basis in coordination with the City of Encinitas.
- Monitoring the RSWA website and administering the contract with a third-party contractor to manage and administer the website.
- Identification of conferences available to Board Members and registration of Board Members for conferences.
- Periodically reviewing websites, newsletters, listservs, and other resources of CalRecycle, Member cities, Stericycle, local and regional non-profits, and industry groups for pertinent developments pertaining to solid waste, recycling, household hazardous waste, and organic waste.
- Monitoring local media for pertinent stories of interest to the RSWA Board and Member Cities.

Pursuant to the agreement between RSWA and Woodruff, commencing July 1, 2023, Woodruff is paid a monthly retainer of \$4,250 (\$51,000 annually) for General Manager services, with any costs for General Manager services that exceed the annualized retainer amount payable at the end of the fiscal year following review and approval of the RSWA Executive Committee.

The Budget Subcommittee is recommending that the budgeted amount for Consultant Services be set at \$55,000 for each of FY 2022/2023 and FY 2023/2024.

Reimbursements

2022/2023 Estimated Amount	2023/2024 Adopted Budget	2023/2024 Proposed Amended Budget	2024/2025 Proposed Budget
\$1,331	\$1,000	\$1,500	\$1,500

The Reimbursements expense item consists of certain RSWA costs advanced by, and reimbursed to, Woodruff, such as meeting refreshments, mileage, postage and copying costs. The Budget Subcommittee is recommending that the Budget for Reimbursements be increased from \$1,000 to \$1,500 for each of FY 2023/2024 and 2024/2025.

HHW Permits

2022/2023 Amount	2023/2024 Adopted Budget	2023/2024 Proposed Amended Budget	2024/2025 Proposed Budget
\$2,578	\$5,000	\$5,500	\$5,500

The County of San Diego Department of Environmental Health issues annual permits for the two permanent HHW facilities in Vista and Poway. RSWA pays for these permit costs. Permit costs have fluctuated from year-to-year. The Budget Subcommittee initially recommended that the budget amount for HHW Permits remain at its current level of \$5,000 for each of FY 2023/2024 and 2024/2025. However, invoices for FY 2023/2024 have since been issued by the County, and the costs exceed \$5,000. Therefore, the General Manager recommends the budget for this item be set at \$5,500 for each Fiscal Year, instead.

HHW Facility Security and Phone

2022/2023 Amount	2023/2024 Adopted Budget	2023/2024 Proposed Amended Budget	2024/2025 Proposed Budget
\$3,148	\$3,300	\$3,300	\$3,300

This Budget line item is intended to cover costs associated with the security system for the Vista HHW facility and the cost of the HHW telephone hotline monitored by Clean Earth that members of the public call to inquire about and arrange pick-up or drop-off of their HHW. In each of the last two fiscal years, the security system cost totaled \$2,448 and the telephone bill was \$700, for a total of \$3,148. To account for potential price increases, a budget of \$3,300 was previously established for FY 2023/2024. The Budget Subcommittee is recommending that this budgeted amount remain at \$3,300 for each of FY 2023/2024 and FY 2024/2025.

Website Maintenance

2022/2023 Amount	2023/2024 Adopted Budget	2023/2024 Proposed Amended Budget	2024/2025 Proposed Budget
\$1,310	\$1,250	\$1,500	\$1,500

RSWA maintains a website containing general information about the Association, information for the public on disposing of HHW, and RSWA Agenda packets and minutes. RSWA contracts with a third-party vendor to maintain and administer the website. The Budget Subcommittee is recommending that the budget for website maintenance services be increased to \$1,500 for each of FY 2023/2024 and 2024/2025 to account for potential cost increases.

Special Programs (HHW & Organics)

2022/2023 Amount	2023/2024 Adopted Budget	2023/2024 Proposed Amended Budget	2024/2025 Proposed Budget
\$0	\$3,000	\$0	\$0

The Special Programs Budget line item was intended to cover costs of the RSWA HHW Program and initiatives related to organic waste, not covered under other Budget line items, such as grant application assistance. No Special Programs costs were incurred in the previous two fiscal years. The Budget Subcommittee is recommending that this budget line item be eliminated going forward. In the event unanticipated costs arise that would have fallen into this category, they could be paid for from the Contingency budget (see below).

SB 1383 Consultant Services (Previously SB 1383 Compliance Funding)

2022/2023 Estimated Amount	2023/2024 Adopted Budget	2023/2024 Proposed Amended Budget	2024/2025 Proposed Budget
\$53,575	\$15,000	\$20,000	\$20,000

This line item funds expenditures related to SB 1383 compliance support services provided to the six regular RSWA Members through RSWA's agreement with Solana Center for Environmental Innovation. The Budget Subcommittee is recommending allocating \$20,000 for this item for each of FY 2023/2024 and FY 2024/2025. This amount is presently anticipated to be sufficient to cover costs for July pursuant to Amendment No. 5 and the costs payable by RSWA pursuant to a sixth amendment following the framework discussed in Agenda Item No. 6 for the July 13, 2023, Board Meeting.

SB 1383 Compliance Assistance

2022/2023 Estimated Amount	2023/2024 Adopted Budget	2023/2024 Proposed Amended Budget	2024/2025 Proposed Budget
\$0	\$0	\$50,000	\$50,000

This is a new Budget category. Beginning in FY 2023/2024, the Budget Subcommittee is recommending that RSWA allocate \$50,000 for payments to be made directly to the six regular RSWA Member cities, which the cities must use for activities related to compliance with SB 1383. Each city could decide for itself how best to utilize the funding for SB 1383 compliance. It is proposed that the budgeted amount would be allocated proportionately to the cities based roughly on the number of Tier 1 and Tier 2 businesses in each jurisdiction, with a minimum allocation of \$2,000 per city. Utilizing this methodology, the General Manager has preliminarily calculated that the allocations to each City for FY 2023/2024 would be as follows:

Del Mar	\$2,600
Encinitas	\$11,900
National City	\$9,900
Poway	\$9,400
Solana Beach	\$2,000
Vista	\$14,200

If approved, the General Manager recommends that RSWA disburse this financial assistance to the Member Cities in the first quarter of the fiscal year.

HHW & Organics Education

2022/2023 Amount	2023/2024 Adopted Budget	2023/2024 Proposed Amended Budget	2024/2025 Proposed Budget
\$49,000	\$49,000	\$49,000	\$49,000

For several years, RSWA has provided a direct appropriation to all seven Member Cities, to be utilized to support education related to disposal of household hazardous waste and the diversion of organic waste from the landfill. This Educational Appropriation has been \$7,000 per City (\$49,000 total) since 2018 and is typically disbursed in the first quarter of the fiscal year. The Budget Subcommittee is recommending that Educational Appropriation remain at \$7,000 per Member City (or \$49,000 total) for each of FY 2023/2024 and 2024/2025.

Environmental Enhancement Program

2022/2023 Amount	2023/2024 Adopted Budget	2023/2024 Proposed Amended Budget	2024/2025 Proposed Budget
\$150,000	\$150,000	\$150,000	\$150,000

The Environmental Enhancement Program is the largest appropriation RSWA makes to its Member Cities. For the last several years, RSWA has allocated \$150,000 to the Environmental Enhancement Program. This appropriation provides funding to the six regular Member City to utilize for the household hazardous waste programs, organic waste diversion initiatives, recycling, or other solid waste matters that each City determines are most beneficial to it. The funding amount for each City is roughly proportional to size and is based on the City’s prior year solid waste tonnage as a percentage of the total RSWA generated solid waste tonnage. Environmental Enhancement Program distributions are typically made in October of each year. The Budget Subcommittee is recommending that the Budget for the Environmental Enhancement Program remain at \$150,000 for each of FY 2023/2024 and 2024/2025.

Equity Adjustment Payments

2022/2023 Amount	2023/2024 Adopted Budget	2023/2024 Proposed Amended Budget	2024/2025 Proposed Budget
\$42,759	\$42,000	\$40,677	\$40,000

When the disposal contract between RSWA and EDCO was originally entered into in 1999, the Cities of Poway and National City were actually paying less per ton for disposal than the other cities and did not receive a reduction in their disposal rates equivalent to that of the other Member Cities. As a result, the Member Cities agreed to create the "Equity Adjustment" to compensate Poway and National City for this inequity. The Equity Adjustment is calculated by multiplying each City's prior year solid waste tonnage by \$0.50 per ton. The amount was reduced from \$0.75 per ton to \$0.50 per ton when RSWA negotiated extensions to the EDCO disposal contract that included several rate freezes.

For FY 2022/2023, the Equity Adjustment Payments to Poway and National City totaled \$42,759, combined. When the FY 2023/2024 Budget was initially adopted in June 2022, the data needed to calculate actual amount of the Equity Adjustment Payment for FY 2023/2024 was not yet known, so the budgeted amount was based on an estimate. The actual Equity Adjustment Payment amount for FY 2023/2024 has now been calculated and is reflected in the proposed amended Budget (\$40,677). Because the Equity Adjustment Payment amount for FY 2024/2025 cannot yet be calculated, the Budget Subcommittee is recommending that \$40,000 be tentatively budgeted for Equity Adjustment Payments in FY 2024/2025. This estimate will be updated to reflect the actual amount when the RSWA Board goes through the budgeting process again next year.

Treasurer / Controller

2022/2023 Amount	2023/2024 Adopted Budget	2023/2024 Proposed Amended Budget	2024/2025 Proposed Budget
\$10,000	\$10,000	\$10,000	\$10,000

At its June 24, 2021, meeting, the RSWA Board adopted Resolution No. 2021-01 establishing a Policy for the payment of a \$10,000 annual stipend to the RSWA Member performing the functions of the RSWA Treasurer/Controller. Pursuant to this Policy, the Board shall include the anticipated cost of these stipends in the RSWA annual Budget and may adjust the amount of the stipends from time to time, as it determines necessary. The Budget Subcommittee is recommending that the Board continue to budget \$10,000 for this expense category in each of FY 2023/2024 and 2024/2025.

Contingency

2022/2023 Estimated Amount	2023/2024 Adopted Budget	2023/2024 Proposed Amended Budget	2024/2025 Proposed Budget
\$774	\$10,000	\$8,000	\$8,000

Funds budgeted for Contingency purposes may be expended for unanticipated expenses not otherwise reflected in the adopted Budget, thus providing the General Manager with flexibility to pay small unanticipated additional expenses that are not reflected in the Budget as they arise. The Budget Subcommittee is recommending that the Contingency Budget be set at \$8,000 for each of FY 2023/2024 and 2024/2025.

Closure Reserve Fund

HHW Facility	2022/2023 Amount	2023/2024 Adopted Budget	2023/2024 Proposed Amended Budget	2024/2025 Proposed Budget
Vista	\$40,000	\$40,000	\$40,000	\$40,000
Poway	\$40,000	\$40,000	\$40,000	\$40,000
Total	\$80,000	\$80,000	\$80,000	\$80,000

RSWA is mandated by state law to maintain funding for the closure of the permanent HHW collection facilities in Poway and Vista, even though it is currently anticipated that these facilities will continue to operate for the foreseeable future. The closure reserve amount for each facility is currently set at \$40,000. The Budget Subcommittee is not recommending any changes to the Closure Reserve amounts for the HHW facilities.

CONCLUSION

As proposed, estimated Expenditures are not expected to exceed anticipated Revenues for either of FY 2023/2024 or FY 2024/2025, and the proposed Budgets for each Fiscal Year are balanced budgets.

RECOMMENDATION

It is recommended that the Board discuss the Budget Subcommittee's recommendations and adopt an Amended Budget Fiscal Year 2023/2024 Budget and a Fiscal Year 2024/2025 Budget.

Attachments:

Proposed FY 2023/2024 and 2024/2025 Budgets

**REGIONAL SOLID WASTE ASSOCIATION
PROPOSED FY 2023-2024 & FY 2024-2025 BUDGETS**

	<u>2023/24</u> <u>BUDGET</u>	<u>2024/25</u> <u>BUDGET</u>
ESTIMATED REVENUES		
DISPOSAL AGREEMENT VOLUME REBATE	401,852	401,852
HHW NON-MEMBER	50,000	50,000
INVESTMENT EARNINGS	4,000	4,000
TOTAL REVENUES	\$455,852	\$455,852
EXPENDITURES¹		
DIRECTOR STIPENDS/PAYROLL PROCESSING	8,500	8,500
INSURANCE	9,500	9,500
TRAINING, TRAVEL AND MEETINGS	9,000	9,000
AUDIT SERVICES	4,000	4,000
LEGAL SERVICES	30,000	30,000
CONSULTANT SERVICES	55,000	55,000
REIMBURSEMENTS	1,500	1,500
HHW PERMITS	5,500	5,500
HHW FACILITY SECURITY & PHONE	3,300	3,300
WEBSITE MAINTENANCE	1,500	1,500
SB 1383 CONSULTING SERVICES	20,000	20,000
SB 1383 COMPLIANCE ASSISTANCE ²	50,000	50,000
HHW & ORGANICS EDUCATION ³	49,000	49,000
ENVIRONMENTAL ENHANCEMENT PROGRAM ⁴	150,000	150,000
EQUITY ADJUSTMENT PAYMENTS ⁵	40,677	40,000
TREASURER/CONTROLLER	10,000	10,000
CONTINGENCY ⁶	8,000	8,000
TOTAL EXPENDITURES	\$455,477	\$454,800
CLOSURE RESERVE FUND⁷		
VISTA HHW FACILITY CLOSURE DESIGNATION	40,000	40,000
POWAY HHW FACILITY CLOSURE DESIGNATION	40,000	40,000
TOTAL CLOSURE RESERVE FUND	\$80,000	\$80,000

¹The General Manager is authorized to administratively transfer funds budgeted for one expense category to one or more other expense categories as directed by the RSWA Board or as otherwise necessary and appropriate, provided the total budget for expenses is not exceeded. Any such transfer shall be reported to the Board at its next regular meeting.

²These funds are allocated to each regular member city in proportion to the number of Tier 1 and Tier 2 organic waste generators in each city, with a minimum allocation of \$2,000 per city. Each city must use the funding in furtherance of activities related to compliance with SB 1383 and CalRecycle's implementing regulations. To be disbursed in 1st Quarter. Each city shall provide a written report prior to the end of the Fiscal Year describing how the funding was used.

³\$7,000 per city. To be disbursed in 1st Quarter. This funding may be utilized to support education related to disposal of household hazardous waste (HHW) and the diversion of organic waste from the landfill. Each city shall provide a written report prior to the end of the Fiscal Year describing how the funding was used.

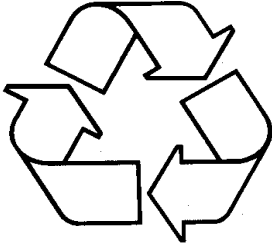
⁴The Environmental Enhancement Program allows each regular member city to utilize the funding allocation for environmental programs that the individual city determines are most beneficial to that jurisdiction. Funding amount is based on the prior year tonnage of the city as a percentage of the total RSWA generated tonnage. To be disbursed in the 2nd Quarter. Each city shall provide a written report prior to the end of the Fiscal Year describing how the funding was used.

⁵When the disposal contract between RSWA and EDCO was originally entered into, it was determined that the cities of Poway and National City were actually paying less per ton for disposal than the amount in the new agreement; therefore the equity adjustment was created to be paid out of the volume rebate, monies paid by EDCO to RSWA pursuant to the disposal contract, to offset that inequity. The equity adjustment for each city is calculated by multiplying the city's prior year's tonnage by \$0.50 per ton and is distributed in the 4th Quarter.

⁶Funds budgeted for Contingency purposes may be expended for unanticipated expenses not otherwise reflected in adopted Budget.

⁷RSWA is mandated to maintain funding for the closure of the household hazardous waste collection facilities in Poway and Vista. It is currently anticipated that these facilities will continue to operate for the foreseeable future.

Item 7.D.



REGIONAL SOLID WASTE ASSOCIATION

Member Agencies: Cities of Del Mar, Encinitas, Escondido,
National City, Poway, Solana Beach, and Vista

To: RSWA Board Members
From: General Manager James H. Eggart
Subject: Continued Delegation of Investment Authority to National City
Date: July 13, 2023

BACKGROUND / DISCUSSION

The City of National City became RSWA’s Fiduciary Agent and Treasurer/ Controller in 2021. On July 22, 2021, the RSWA Board of Directors reviewed National City’s adopted Investment Policy and adopted Resolution No. 2021-04 authorizing National City to pool RSWA’s funds with those of National City for investment purposes and delegating investment authority over RSWA’s funds to the appropriate National City officials. This delegation of authority remains in effect until and unless it is revoked, rescinded, or modified by the Board. However, Resolution No. 2021-04 provides for the City’s investment policy to be brought before the Board at least annually for review in order to ensure that it continues to meet the Board’s objectives for return, safety, and liquidity. Resolution No. 2021-04 also provides for the Board to simultaneously review and consider the delegation of investment authority to the City.

The current National City Investment Policy was approved by the National City Council on June 21, 2022. No changes to the Policy have been made since it was last reviewed and approved by the RSWA Board on June 30, 2022. The City’s Investment Policy continues to comply with State law. The Investment Policy prioritizes safety of principal, provides that the investment portfolio will remain sufficiently liquid to meet all reasonably anticipated operating requirements, and seeks to obtain at least a market rate of return. The Policy also establishes internal controls and third-party safekeeping requirements designed to protect funds and incorporates the “prudent investor” standard.

Proposed Resolution No. 2023-01 confirms the continued delegation of authority to the appropriate National City officials to pool RSWA’s funds with the City’s for investment purposes and invest RSWA’s funds in a manner consistent with the City’s adopted investment policy and state law.

RECOMMENDATION

It is recommended that the Board adopt Resolution No. 2023-01 Confirming Continued Delegation of Authority to the Appropriate City of National City Officials to Invest the Association’s Funds in Accordance with the City’s Adopted Investment Policy.

ATTACHMENTS

Resolution No. 2021-04
Current National City Investment Policy
Proposed Resolution No. 2023-01

Resolution No. 2021-04

RESOLUTION OF THE BOARD OF DIRECTORS OF THE REGIONAL SOLID WASTE ASSOCIATION AUTHORIZING THE CITY OF NATIONAL CITY TO SERVE AS THE ASSOCIATION'S FIDUCIARY AGENT AND TO PERFORM THE DUTIES OF TREASURER / CONTROLLER FOR THE ASSOCIATION, RESCINDING RESOLUTION NO. 2021-02, AND DELEGATING AUTHORITY TO THE APPROPRIATE NATIONAL CITY OFFICIALS TO INVEST THE ASSOCIATION'S FUNDS IN ACCORDANCE WITH THE CITY'S ADOPTED INVESTMENT POLICY

WHEREAS, Paragraph F. of Section VII of the Regional Solid Waste Association ("RSWA") Joint Powers Agreement expressly authorizes the RSWA Board of Directors ("Board") to contract with one of the Parties to perform the functions of the RSWA Treasurer/Controller in compliance with California Government Code Sections 6505.5 and 6505;

WHEREAS, the City of Vista ("Vista") currently serves as RSWA's financial Fiduciary Agent and performs the duties of the RSWA Treasurer/Controller;

WHEREAS, on June 24, 2021, the RSWA Board adopted Resolution No. 2021-02 approving a Revised Statement of Investment Policy consistent with Vista's current investment policy and delegating authority to invest and reinvest RSWA's funds to Vista's Director of Finance/Treasurer for Fiscal Year 2021-2022;

WHEREAS, on June 24, 2021, the RSWA Board also adopted Resolution No. 2021-01 adopting a Policy Regarding Rotation of Responsibility and Payment of Stipends for Performance of the Functions of Treasurer/Controller by Association Members (the "Policy");

WHEREAS, the Policy contemplates that the City of National City ("National City") will assume the financial fiduciary responsibilities and Treasurer/Controller functions for RSWA commencing July 1, 2022, unless otherwise agreed by the affected Parties and approved by the RSWA Board;

WHEREAS, Vista and National City have mutually agreed that transfer of the financial fiduciary responsibilities and Treasurer/Controller functions for RSWA should occur before July 1, 2022 and mutually desire to effectuate the transfer of RSWA's financial assets from Vista to National City on or about July 30, 2021;

WHEREAS, the Policy provides that the RSWA Member performing the function of Treasurer/Controller should receive a stipend to partially offset the associated costs incurred by that Member (the "Stipend") and that the amount of said stipend for the Fiscal Year commencing July 1, 2021 shall be Ten Thousand Dollars (\$10,000);

WHEREAS, the Policy further provides that an additional stipend to partially offset the additional costs incurred by a Member to assist with the transition of the Treasurer/Controller functions to another Member may also be paid;

WHEREAS, the Fiscal Year 2021-2022 Budget adopted by the Board allocates Ten Thousand Dollars (\$10,000) for payment of the Stipend and Two Thousand Dollars (\$2,000) to Vista to assist with the transition of the Treasurer/Controller functions to National City;

WHEREAS, Vista has advised RSWA that it will forego any portion of the Stipend for the 2021-2022 Fiscal Year if transfer of RSWA's financial assets and the financial fiduciary responsibilities and Treasurer/Controller functions for RSWA from Vista to National City occurs as contemplated by this Resolution;

WHEREAS, National City has advised RSWA that it will accept transfer of RSWA's financial assets from Vista and perform the functions of Treasurer/Controller for RSWA in exchange for the Stipend;

WHEREAS, the National City City Council has adopted an investment policy governing National City's financial assets and investment activities (the "National City Investment Policy");

WHEREAS, pursuant to the National City Investment Policy, the National City City Council has delegated management responsibility for the cash management of City funds to the Director of Finance and/or Financial Services Officer for National City;

WHEREAS, the Board has reviewed the current National City Investment Policy and determined that the investment of RSWA's funds in accordance with the National City Investment Policy will result in the prudent investment of RSWA's financial assets in conformance with applicable federal, state, and local laws in a manner that enhances the economic status of RSWA while ensuring sufficient safety and liquidity;

WHEREAS, the Board of Directors desires to facilitate the transfer of Treasurer/Controller and Fiduciary Agent responsibilities and duties to National City at the earliest possible date and to delegate authority for investment of RSWA's funds to National City in accordance with National City's Investment Policy.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Regional Solid Waste Association as follows:

1. Effective upon transfer of RSWA's financial assets from Vista to National City, National City is authorized to serve as RSWA's Fiduciary Agent and to perform the duties of Treasurer/Controller for RSWA pursuant to Paragraph F. of Section VII of the RSWA Joint Powers Agreement and Sections 6505 and 6505.5 of the California Government Code. The Treasurer of National City shall be the depository and have custody of all the money of RSWA. The Director of Finance, Financial Services Officer, and/or Administrative Services Director of National City shall perform the duties of Controller for RSWA and shall be authorized to pay demands against RSWA when the demands have been approved by the RSWA Board or General Manager.

2. National City shall be paid a Stipend in an amount approved by the Board for performance of the duties of Treasurer / Controller and Fiduciary Agent for RSWA. For the 2021-2022 Fiscal Year, the amount of the Stipend shall be Ten Thousand Dollars (\$10,000).

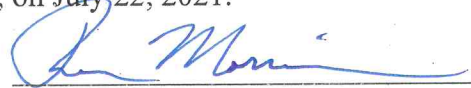
3. Following transfer of RSWA's financial assets to National City, Vista shall be relieved of responsibility for performing the duties of RSWA Treasurer/Controller and Fiduciary Agent; provided, however, that Vista shall continue to provide those services necessary to facilitate transition of the Treasurer/Controller functions to National City and to be responsible for contracting for and assisting with completion of the annual audit of the accounts and records of RSWA for the 2020-2021 Fiscal Year. Vista shall be paid a stipend of Two Thousand Dollars (\$2,000) in consideration for its provision of these services.

4. Effective upon transfer of RSWA's financial assets from Vista to National City, the Board hereby rescinds Resolution No. 2021-02 and the RSWA Statement of Investment Policy, authorizes National City to pool RSWA's funds with those of National City for investment purposes, and delegates authority to the National City Treasurer, Director of Finance, Financial Services Officer, and/or Administrative Services Director, as appropriate, to invest and reinvest the funds of RSWA, and to sell and exchange securities so purchased, in accordance with the National City Investment Policy and applicable California law. Said delegation of authority shall continue until revoked, rescinded, or modified by the Board. The Board shall review the National City Investment Policy and delegation of investment authority at least annually at a public meeting.

5. The RSWA General Manager and RSWA Board Member appointed by the Board to hold the office of Treasurer shall oversee the cash management, investment, and other activities performed by National City on behalf of RSWA and require faithful performance of all administrative duties delegated pursuant to this Resolution.

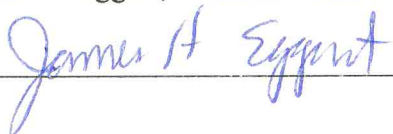
6. The RSWA General Manager is hereby authorized to take all actions and execute all documents or contracts necessary or appropriate to implement this Resolution.

PASSED AND ADOPTED by the Board of Directors of the Regional Solid Waste Association, San Diego County, State of California, on July 22, 2021.



Ron Morrison, Chairman
Regional Solid Waste Association

APPROVED AS TO FORM:
James H. Eggart, General Counsel

By: 

CERTIFICATION

I, Ron Morrison, Chairman of the Regional Solid Waste Association, do hereby certify that the foregoing Resolution No. 2021-04 was duly adopted at a regular meeting of the Association, held on the 22nd day of July, 2021, by the following vote of the members of the Association:

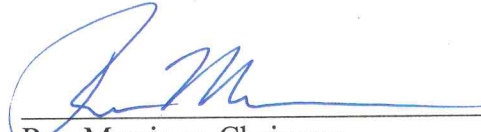
AYES: MORRISON, GREEN, GROSCH, MORASCO, WORDEN, HARLESS

NOES:

ABSENT: BLAKESPEAR

ABSTAIN:

And I further certify that I signed and approved said Resolution on the 13TH day of OCTOBER, 2021.



Ron Morrison, Chairman
Regional Solid Waste Association

CITY COUNCIL POLICY CITY OF NATIONAL CITY

TITLE: Investments	POLICY #203
ADOPTED: October 23, 1990	AMENDED: June 21, 2022

I. INTRODUCTION

The City of National City's investment program will conform to federal, state, and other legal requirements, including California Government Code Sections 16429.1-16429.4, 53600-53609, and 53630-53686. The following investment policy addresses the methods, procedures, and practices which must be exercised to ensure effective and judicious fiscal and investment management of the City's funds. It is the policy of the City to invest public funds in a manner that will provide a market rate of return, given its requirements for preserving principal and meeting the daily cash flow demands of the City. All investments will comply with this Investment Policy and governing laws.

This Investment Policy replaces any previous Investment Policy or Investment Procedures of the City.

II. SCOPE

This Investment Policy applies to all the City's financial assets and investment activities with the following exception(s):

Proceeds of debt issuance shall be invested in accordance with the City's general investment philosophy as set forth in this policy; however, such proceeds are invested in accordance with permitted investment provisions of their specific bond indentures.

Pooling of Funds: Except for cash in certain restricted and special funds, the City will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

III. GENERAL OBJECTIVES

The overriding objectives of the investment program are to preserve principal, provide sufficient liquidity, and manage investment risks.

1. *Safety:* Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.
2. *Liquidity:* The investment portfolio will remain sufficiently liquid to meet all operating requirements

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3. *Return:* The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints for safety and liquidity needs.

IV. PRUDENCE, INDEMNIFICATION, AND ETHICS

- A. *Prudent Investor Standard:* Management of the City's investments is governed by the Prudent Investor Standard as set forth in California Government Code Section 53600.3:

"...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

- B. *Indemnification:* The Administrative Services Director or City Manager designee hereinafter designated as Financial Services Officer and other authorized persons responsible for managing City funds, acting in accordance with written procedures and the Investment Policy and exercising due diligence, will be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported within 30 days and appropriate action is taken to control adverse developments.

- C. *Ethics:* Officers and employees involved in the investment process will refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

V. DELEGATION OF AUTHORITY

- A. Authority to manage the City's investment program is derived from California Government Code Section 53600 *et seq.* The City Council is responsible for the City's cash management, including the administration of this Investment Policy. Management responsibility for the cash management of City funds is hereby delegated to the Administrative Services Director and/or Financial Services Officer.

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The Administrative Services Director or designee will be responsible for all transactions undertaken and will establish a system of procedures and controls to regulate the activities of subordinate employee.

B. The City may engage the services of one or more external investment managers to assist in the management of the City's investment portfolio in a manner consistent with the City's objectives. Such external managers may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such managers must be registered under the Investment Advisers Act of 1940.

VI. AUTHORIZED FINANCIAL INSTITUTIONS, DEPOSITORIES, AND BROKER/DEALERS

A list will be maintained of financial institutions and depositories authorized to provide investment services. In addition, a list will be maintained of approved security broker/dealers selected by conducting a process of due diligence described in the investment procedures manual. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

A. The City's Administrative Services Director or designee will determine which financial institutions are authorized to provide investment services to the City. Institutions eligible to transact investment business with the City include:

1. Primary government dealers as designated by the Federal Reserve Bank;
2. Nationally or state-chartered banks;
3. The Federal Reserve Bank; and
4. Direct issuers of securities eligible for purchase.

B. Selection of financial institutions and broker/dealers authorized to engage in transactions with the City will be at the sole discretion of the City.

C. All financial institutions which desire to become qualified bidders for investment transactions (and which are not dealing only with the investment adviser) must supply the Administrative Services Director or designee with a statement certifying that the institution has reviewed California Government Code Section 53600 *et seq.* and the City's Investment Policy.

D. Selection of broker/dealers used by an external investment adviser retained by the City will be at the sole discretion of the investment adviser.

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E. Public deposits will be made only in qualified public depositories as established by State law. Deposits will be insured by the Federal Deposit Insurance Corporation, or, to the extent the amount exceeds the insured maximum, will be collateralized in accordance with State law.

VII. DELIVERY, SAFEKEEPING AND CUSTODY, AND COMPETITIVE TRANSACTIONS

A. *Delivery-versus-payment:* Settlement of all investment transactions will be completed using standard delivery-vs.-payment procedures.

B. *Third-party safekeeping:* To protect against potential losses by collapse of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all securities owned by the City will be held in safekeeping by a third party bank custodian, acting as agent for the City under the terms of a custody agreement executed by the bank and the City.

C. *Competitive transactions:* All investment transactions will be conducted on a competitive basis which can be executed through a bidding process involving at least three separate brokers/financial institutions or through the use of a nationally recognized trading platform.

VIII. AUTHORIZED AND SUITABLE INVESTMENTS

All investments will be made in accordance with California Government Code Section 53600 *et seq.* and as described within this Investment Policy. Permitted investments under this policy will include:

1. **Municipal Bonds.** These include bonds of the City, the State of California, any other municipality, within the state of California. The bonds will be registered in the name of the City or held under a custodial agreement at a bank.

- a. Are rated in the category of "A" or better by at least two nationally recognized statistical rating organizations; and
- b. No more than 5% per issuer.
- c. No more than 30% of the total portfolio may be invested in municipal bonds.

2. **US Treasury** and other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest. There are no limits on the dollar amount or percentage that the City may invest in US Treasuries.

3. **Federal Agency or United States government-sponsored enterprise obligations, participations, or other instruments,** including those issued by or fully guaranteed as to

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principal and interest by federal agencies or United States government-sponsored enterprises. There are no limits on the dollar amount or percentage that the City may invest in government-sponsored enterprises.

4. **Banker's acceptances**, provided that:

- a. They are issued by institutions with short term debt obligations rated "A1" or higher, or the equivalent, by at least two nationally recognized statistical-rating organizations (NRSRO); and have long-term debt obligations which are rated "A" or higher by at least two nationally recognized statistical rating organizations;
- b. The maturity does not exceed 180 days; and
- c. No more than 40% of the total portfolio may be invested in banker's acceptances and no more than 5% per issuer.

5. **Federally insured time deposits** (Non-negotiable certificates of deposit) in state or federally chartered banks, savings and loans, or credit unions, provided that:

- a. The amount per institution is limited to the maximum covered under federal insurance; and
- b. The maturity of such deposits does not exceed 5 years.

6. **Certificate of Deposit Placement Service (CDARS)**

- a. No more than 30% of the total portfolio may be invested in a combination of certificates of deposit including CDARS
- b. The maturity of CDARS deposits does not exceed 5 years.

7. **Negotiable certificates of deposit (NCDs)**, provided that:

- a. They are issued by institutions which have long-term obligations which are rated "A" or higher by at least two nationally recognized statistical rating organizations; and/or have short term debt obligations rated "A1" or higher, or the equivalent, by at least two nationally recognized statistical rating organizations;
- b. The maturity does not exceed 5 years; and
- c. No more than 30% of the total portfolio may be invested in NCDs and no more than 5% per issuer.

**CITY COUNCIL POLICY
CITY OF NATIONAL CITY**

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ADOPTED: October 23, 1990	AMENDED: June 21, 2022

8. **Commercial paper**, provided that:

- a. The maturity does not exceed 270 days from the date of purchase;
- b. The issuer is a corporation organized and operating in the United States with assets in excess of \$500 million;
- c. They are issued by institutions whose short term obligations are rated “A-1” or higher, or the equivalent, by at least two nationally recognized statistical rating organizations; and whose long-term obligations are rated “A” or higher by at least two nationally recognized statistical rating organizations; and
- d. No more than 25% of the portfolio is invested in commercial paper and no more than 5% per issuer.

9. **State of California Local Agency Investment Fund (LAIF)**, provided that:

- a. The City may invest up to the maximum permitted amount in LAIF; and
- b. LAIF’s investments in instruments prohibited by or not specified in the City’s policy do not exclude it from the City’s list of allowable investments, provided that the fund’s reports allow the Administrative Services Director or Financial Services Officer or designee to adequately judge the risk inherent in LAIF’s portfolio.

10. **Local government investment pools.**

- a. San Diego County Investment Pool

11. **Corporate medium term notes (MTNs)**, provided that:

- a. Such notes have a maximum maturity of 5 years;
- b. Are issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States;
- c. Are rated “A” category or better by at least two nationally recognized statistical rating organizations; and
- d. Holdings of medium-term notes may not exceed 30% of the portfolio and no more than 5% per issuer.

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12. Mortgage pass-through securities, asset-backed securities, and collateralized mortgage obligations,^[AS1] provided that such securities:

- a. Have a maximum stated final maturity of 5 years.
- b. Be rated in a rating category of “AA” or its equivalent or better by a nationally recognized statistical rating organization.
- c. Purchase of securities authorized by this subdivision may not exceed 20% of the portfolio.

13. Money market mutual funds that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940:

- a. Provided that such funds meet either of the following criteria:
 1. Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations; or,
 2. Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years’ experience investing in the securities and obligations authorized by California Government Code Section 53601 (a through j) and with assets under management in excess of \$500 million.
- b. Purchase of securities authorized by this subdivision may not exceed 20% of the portfolio.

14. Supranationals, provided that:

- a. Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.
- b. The securities are rated in a category of “AA” or higher by a NRSRO.
- c. No more than 30% of the total portfolio may be invested in these securities.
- d. No more than 10% of the portfolio may be invested in any single issuer.

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- e. The maximum maturity does not exceed five (5) years.

IX. PORTFOLIO RISK MANAGEMENT

A. *The following are prohibited investment vehicles and practices:*

1. State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to futures and options.
2. In accordance with California Government Code Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
3. Investment in any security that could result in a zero interest accrual if held to maturity is prohibited. Under a provision sunseting on January 1, 2026, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted.^[AS2]
4. Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
5. Purchasing or selling securities on margin is prohibited.
6. The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.
7. The purchase of foreign currency denominated securities is prohibited.

B. *Mitigating credit risk in the portfolio*

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The City will mitigate credit risk by adopting the following strategies:

1. The diversification requirements included in Section IX are designed to mitigate credit risk in the portfolio;
2. No more than 5% of the total portfolio may be invested in securities of any single issuer, except as noted in Section VIII of this Investment Policy;
3. The City may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity, or yield of the portfolio in response to market conditions or the City's risk preferences; and

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4. If securities owned by the City are downgraded by either Moody's or S&P to a level below the quality required by this Investment Policy, it will be the City's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.
 - a. If a security is downgraded, the Administrative Services Director or designee will use discretion in determining whether to sell or hold the security based on its current maturity, the economic outlook for the issuer, and other relevant factors.
 - b. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the City Council.

C. Mitigating market risk in the portfolio

Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. The City recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The City will mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes. The City further recognizes that certain types of securities, including variable rate securities, securities with principal pay-downs prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The City, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

1. The City will maintain a minimum of three months of budgeted operating expenditures in short term investments to provide sufficient liquidity for expected disbursements;
2. The maximum percent of callable securities (does not include "make whole call" securities as defined in the Glossary) in the portfolio will be 20%;
3. The maximum stated final maturity of individual securities in the portfolio will be five years, except as otherwise stated in this policy; and
4. The duration of the portfolio will at all times be approximately equal to the duration (typically plus or minus 20%) of a Market Benchmark Index selected by the City based on the City's investment objectives, constraints and risk tolerances. The City's current Benchmark will be documented in the investment procedures manual.

X. INVESTMENT OBJECTIVES (PERFORMANCE STANDARDS AND EVALUATION)

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A. Overall objective: The investment portfolio will be designed with the overall objective of obtaining a total rate of return throughout economic cycles, commensurate with investment risk constraints and cash flow needs.

B. Specific objective: The investment performance objective for the portfolio will be to earn a total rate of return over a market cycle which is approximately equal to the return on the Market Benchmark Index as described in the City's investment procedures manual.

XI. PROCEDURES AND INTERNAL CONTROLS

A. Procedures: The Director of Administrative Services or designee will establish written investment policy procedures in a separate investment procedures manual to assist investment staff with day-to-day operations of the investment program consistent with this policy. Such procedures will include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Administrative Services or designee.

B. Internal Controls: The Director of Administrative Services or designee is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The internal control structure will be designed to provide reasonable assurance that these objectives are met. Internal controls will be in the City's investment procedures manual.

XII. REPORTING AND REVIEW

A. Monthly reports: The Director of Finance and/or Financial Services Officer must submit a monthly report to the legislative body accounting for transactions made during the reporting period.

B. Quarterly reports: Quarterly investment reports will be submitted by the Administrative Services Director or designee to the City Council, at an agenda meeting. Consistent with the requirements contained in California Government Code Section 53646, information in the quarterly investment reports shall include, but not be limited to, the following:

1. Type of investment
2. Name of issuer and/or financial institution
3. Date of purchase
4. Date of maturity
5. Current market value for all securities
6. Rate of interest
7. Purchase price of investment
8. Other data as required by the City

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C. Annual Policy review: The Investment Policy will be reviewed at least annually and, as necessary, adopted, to ensure its consistency with the overall objectives of preservation of principal, liquidity, and return, and its relevance to current law and financial and economic trends.

Related Policy References

California Government Code Sections: 16429.1 – 16429.4, and 53600 – 53609 and 53630-53686
Investment Company Act of 1940
Investment Advisers Act of 1940
Securities and Exchange Commission Rule #15C3-1
Appendix I attached: “Authorized Personnel”
Appendix II attached: “Glossary of Investment Terms”

Prior Policy Amendments

October 23, 1990 – Established Policy
May 9, 1995 (Resolution No. 95-62) Updated Policy and Inclusion in the Policy Manual and Amend policy adopted October 23, 1990
August 6, 1996 (Resolution No. 96-130)
August 26, 1997 (Resolution No. 97-110)
October 6, 1998 (Resolution No. 98-136)
September 7, 1999 (Resolution No. 99-130)
October 2, 2001 (Resolution No. 2001-151)
October 1, 2002 (Resolution No. 2002-149)
October 7, 2003 (Resolution No. 2003-139)
June 7, 2005 (Resolution No. 2005-118)
October 4, 2005 (Resolution No. 2005-215)
August 21, 2007 (Resolution No. 2007-202)
February 19, 2008 (Resolution No. 2008-37)
February 19, 2008 (Resolution No. 2008-38) CDC
January 10, 2012 (Resolution No. 2012-09)
December 10, 2013 (Resolution No. 2013-189)
December 16, 2014 (Resolution No. 2014-172)
December 15, 2015 (Resolution No. 2015-186)
December 6, 2016 (Resolution No. 2016-189)
October 17, 2017 (Resolution No. 2017-203)
November 20, 2018 (Resolution No. 2018-189)
August 18, 2020 (Resolution No. 2020-151)

**CITY COUNCIL POLICY
CITY OF NATIONAL CITY**

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Appendix I

Authorized Personnel

The following positions are authorized to transact investment business and wire funds for investment purposes on behalf of the City of National City:

City Manager
Assistant City Manager
Financial Services Officer
Director of Administrative Services or designee

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Appendix II GLOSSARY OF INVESTMENT TERMS

Agencies. Shorthand market terminology for any obligation issued by a *government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

FDIC. The Federal Deposit Insurance Corporation provides insurance backed by the full faith and credit of the US government to certain bank deposits and debt obligations.

FFCB. The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

FHLB. The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC. Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called “Freddie Mac” issues discount notes, bonds and mortgage pass-through securities.

FNMA. Like FHLB and Freddie Mac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as “Fannie Mae,” issues discount notes, bonds and mortgage pass-through securities.

GNMA. The Government National Mortgage Association, known as “Ginnie Mae,” issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

PEFCO. The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

TVA. The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio and Mississippi River valleys. TVA currently issues discount notes and bonds.

Asked. The price at which a seller offers to sell a security.

Asset-Backed Securities. Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

Average life. In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

Banker’s acceptance. A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which “accepts” the obligation to pay the investor.

Benchmark. A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

Bid. The price at which a buyer offers to buy a security.

Broker. A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

Callable. A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline since an issuer issues securities, it will likely call its current securities and reissue them at a lower

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rate of interest. Callable securities have reinvestment risk as the investor may receive its principal back when rates are lower than when the investment was initially made.

Certificate of Deposit (CD). A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs may be marketable.

Collateral. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

Collateralized Mortgage Obligations (CMO). Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

Commercial paper. The short-term unsecured debt of corporations.

Cost yield. The annual income from an investment divided by the purchase cost. Because it does not give effect to premiums and discounts which may have been included in the purchase cost, it is an incomplete measure of return.

Coupon. The rate of return at which interest is paid on a bond.

Credit risk. The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

Current yield. The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

Dealer. A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

Debenture. A bond secured only by the general credit of the issuer.

Delivery vs. payment (DVP). A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

Derivative. Any security that has principal and/or interest payments which are subject to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate or index.

Discount. The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par, and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

Diversification. Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

Duration. The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a bond to

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changes in interest rates. (See modified duration).

Federal funds rate. The rate of interest charged by banks for short-term loans to other banks. The Federal Reserve Bank through open-market operations establishes it.

Federal Open Market Committee: A committee of the Federal Reserve Board that establishes monetary policy and executes it through temporary and permanent changes to the supply of bank reserves.

Haircut: The margin or difference between the actual market value of a security and the value assessed by the lending side of a transaction (i.e. a repo).

Leverage. Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

Liquidity: The speed and ease with which an asset can be converted to cash.

Local Agency Investment Fund (LAIF). A voluntary investment fund managed by the California State Treasurer's Office open to government entities and certain non-profit organizations in California.

Local Government Investment Pool. Investment pools including the Local Agency Investment Fund (LAIF), county pools, joint powers authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

Make Whole Call. A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

Margin: The difference between the market value of a security and the loan a broker makes using that security as collateral.

Market risk. The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

Market value. The price at which a security can be traded.

Marking to market. The process of posting current market values for securities in a portfolio.

Maturity. The final date upon which the principal of a security becomes due and payable. Medium term notes. Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts either on a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

Modified duration. The percent change in price for a 100 basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

Money market. The market in which short term debt instruments (T-bills, discount notes, commercial paper and banker's acceptances) are issued and traded.

Mortgage pass-through securities. A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

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Municipal Securities. Securities issued by state and local agencies to finance capital and operating expenses.

Mutual fund. An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

Nationally Recognized Statistical Rating Organization (NRSRO). A credit rating agency the United States Securities and Exchange Commission uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

Premium. The difference between the par value of a bond and the cost of the bond, when the cost is above par.

Prepayment speed. A measure of how quickly principal is repaid to investors in mortgage securities.

Prepayment window. The time period over which principal repayments will be received on mortgage securities at a specified prepayment speed.

Primary dealer. A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out US monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the US Government securities market.

Prudent person (man) rule. A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

Realized yield. The change in value of the portfolio due to interest received and interest earned and realized gains and losses. It does not give effect to changes in market value on securities, which have not been sold from the portfolio.

Regional dealer. A financial intermediary that buys and sells securities for the benefit of its customers without maintaining substantial inventories of securities, and that is not a primary dealer.

Repurchase agreement (RP, Repo). Short term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a **reverse repurchase agreement**.

Safekeeping. A service to bank customers whereby securities are held by the bank in the customer's name.

Short Term. Less than one (1) years' time.

Structured note. A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse

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floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and “dual index floaters,” which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

Supranational. A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

Total rate of return. A measure of a portfolio’s performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

US Treasury obligations. Securities issued by the US Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk, and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

Treasury bills. All securities issued with initial maturities of one year or less are issued as discounted instruments, and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues “cash management” bills as needed to smooth out cash flows.

Treasury notes. All securities issued with initial maturities of two to ten years are called Treasury notes, and pay interest semi-annually.

Treasury bonds. All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

Value. Principal plus accrued interest.

Volatility. The rate at which security prices change with changes in general economic conditions or the general level of interest rates.

Yield to Maturity. The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.

Resolution No. 2023-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE REGIONAL SOLID WASTE ASSOCIATION CONFIRMING CONTINUED DELEGATION OF AUTHORITY TO THE APPROPRIATE CITY OF NATIONAL CITY OFFICIALS TO INVEST THE ASSOCIATION'S FUNDS IN ACCORDANCE WITH THE CITY'S ADOPTED INVESTMENT POLICY

WHEREAS, the City of National City (“National City”) currently serves as RSWA’s financial Fiduciary Agent and performs the duties of the RSWA Treasurer/Controller;

WHEREAS, on July 22, 2021, the RSWA Board adopted Resolution No. 2021-04 authorizing National City to pool RSWA’s funds with those of National City for investment purposes and delegating authority to the National City Treasurer, Director of Finance, Financial Services Officer, and/or Administrative Services Director, as appropriate, to invest and reinvest the funds of RSWA, and to sell and exchange securities so purchased, in accordance with the National City Investment Policy and applicable California law;

WHEREAS, Resolution No. 2021-04 provides that the Board shall review the National City Investment Policy and delegation of investment authority at least annually at a public meeting;

WHEREAS, the National City City Council has adopted an investment policy governing National City’s financial assets and investment activities (the “National City Investment Policy”);

WHEREAS, pursuant to the current National City Investment Policy, the National City City Council has delegated management responsibility for the cash management of City funds to the Administrative Services Director and/or Financial Services Officer for National City;

WHEREAS, on June 30, 2022, the RSWA Board adopted Resolution No. 2022-05 confirming the continued delegation of authority to the appropriate City of National City officials to invest RSWA’s funds in accordance with the City’s adopted Investment Policy;

WHEREAS, the Board has reviewed the current National City Investment Policy, dated June 21, 2022, and determined that the continued investment of RSWA’s funds in accordance with the National City Investment Policy will result in the prudent investment of RSWA’s financial assets in conformance with applicable federal, state, and local laws in a manner that enhances the economic status of RSWA while ensuring sufficient safety and liquidity;

WHEREAS, the Board of Directors desires continue to invest its funds through National City and to renew its delegation of investment authority to the appropriate National City officials.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Regional Solid Waste Association as follows:

1. The delegation of authority set forth in Resolution No. 2021-04 and Resolution No. 2022-05 shall remain in full force and effect. National City shall continue to be authorized to pool RSWA's funds with those of National City for investment purposes. Authority shall continue to be delegated to the National City Treasurer, Administrative Services Director, and/or Financial Services Officer, as appropriate, to invest and reinvest the funds of RSWA, and to sell and exchange securities so purchased, in accordance with the National City Investment Policy and applicable California law.

PASSED AND ADOPTED by the Board of Directors of the Regional Solid Waste Association, San Diego County, State of California, on July 13, 2023.

Ron Morrison, Chairman
Regional Solid Waste Association

APPROVED AS TO FORM:
James H. Eggart, General Counsel

By: _____

CERTIFICATION

I, Ron Morrison, Chairman of the Regional Solid Waste Association, do hereby certify that the foregoing Resolution No. 2023-01 was duly adopted at a regular meeting of the Association, held on the 13th day of July, 2023, by the following vote of the members of the Association:

AYES:

NOES:

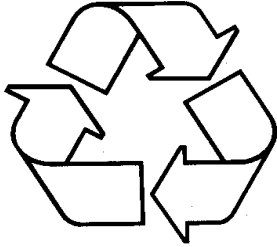
ABSENT:

ABSTAIN:

And I further certify that I signed and approved said Resolution on the ____ day of _____, 2023.

Ron Morrison, Chairman
Regional Solid Waste Association

Item 8.B.



REGIONAL SOLID WASTE ASSOCIATION

Member Agencies: Cities of Del Mar, Encinitas, Escondido,
National City, Poway, Solana Beach, and Vista

To: RSWA Board Members
From: General Manager/General Counsel James H. Eggart
Subject: Legislative Update
Date: July 13, 2023

The following is a summary of select legislation of interest related to solid waste issues introduced and pending in the California Legislature. The status of each bill is as of July 6, 2023. Only measures that are likely to continue to advance are discussed. Measures that appear unlikely to continue to advance are not discussed. Bills discussed in the April 6, 2023 memorandum that do not appear likely to advance in the current Legislative session have been left out. Those measures which are most pertinent to RSWA and RSWA Members will be discussed in more detail at the meeting.

PAPER / PLASTIC / PACKAGING WASTE REDUCTION

Assembly Bill (AB) 1347 – Eliminating Paper Receipts

Author(s)

Assm. Ting (D)

Summary

Beginning in 2026, this bill would require a business to give a consumer the option of whether to receive a printed paper point-of-sale receipt and prohibit the business from printing a receipt if the consumer opts not to receive one, unless otherwise required by federal or state law. For receipts that are printed, the bill would prohibit those receipts from containing BPA or BPS (which most printed receipts currently contain). Businesses could still give consumers the option to receive an electronic receipt via email or text. The third and any subsequent violation of these provisions by a business would be an infraction punishable by \$25 per day, not to exceed \$300 annually. The Attorney General, district attorneys, and city attorneys would all be authorized to enforce the bill's provisions.

Status as of July 6, 2023

AB 1347 passed out of the Assembly to the Senate on May 30, 2023. It has been amended twice in the Senate (most recently on June 29, 2023) and is currently in the Senate Environmental Quality Committee, before which a hearing is set for July 12, 2023.

Senate Bill (SB) 777 – Solid Waste: Reusable Grocery Bags and Recycled Paper Bags

Author(s)

Sen. Allen (D)

Summary

SB 270 (Padilla, Chapter 850, Statutes of 2014) established a statewide “bag ban” prohibiting the use of single-use carryout bags at retail stores, and to instead require stores to offer reusable or compostable plastic or paper bags for 10 cents or more. Stores are not currently mandated to accept returned reusable grocery bags from customers and ensure they are recycled and do not currently have a reporting requirement under the bag ban, but they are technically required to use the funds for purchasing compostable or recycled bags and educating consumers about the bag ban. SB 777 would enact the Transparency in Grocery Bag Recycling Act, which would require retailers to accept returned reusable grocery bags from customers, to maintain a plan for recycling the returned bags, change what grocery stores use the 10-cent surcharge for, and add transparency and accountability regarding how the 10-cent surcharge is spent. Pursuant to the bill, large grocery stores and grocery store chains would now be required to provide customers with the opportunity to return reusable grocery bags to the store and to make arrangements with recyclers and reclaimers to ensure returned bags are properly recycled and that the material is sent to responsible end markets. Grocery stores would be expressly authorized to use a portion of the money they collect from the 10-cent surcharge for costs associated with offering customers the opportunity to return their bags to the store for recycling and to ensure the returned bags are recycled. These stores would also now have to submit quarterly reports to CalRecycle with information on their costs to comply with the law’s requirements, as well as the balance, if any, of the remaining funds collected, and CalRecycle would be authorized to audit the stores. Union representatives at stores with collective bargaining agreements would also be allowed to review and make copies of these quarterly reports. In its current form, the bill would only impose the new reporting requirements on stores that sell perishable food, that have more than \$2 million in annual sales, and that have more than 300 employees nationwide.

Status as of July 6, 2023

SB 777 passed out of the Senate to the Assembly on May 24, 2023. The bill was heard in the Assembly Natural Resources Committee and further amended by the Assembly on July 3rd. The bill has been re-referred to the Assembly Natural Resources Committee, and another hearing before that Committee is currently scheduled July 10, 2023.

Senate Bill (SB) 303 – Plastic Pollution Prevention and Packaging Producer Responsibility Act (SB 54) Amendments

Author(s)

Sen. Allen (D)

Summary

In 2022, the Legislature enacted the Plastic Pollution Prevention and Packaging Producer Responsibility Act (SB 54), which imposes minimum content requirements for single-use packaging and plastic food service ware and source reduction requirements for plastic single-use packaging and plastic food service ware. SB 54 provides for the creation of one or more producer responsibility organizations (“PROs”) to carry out the Act’s requirements and establishes a PRO advisory board for the purpose of identifying barriers and solutions to creating a circular economy consistent with the Act and advising and making recommendations to CalRecycle, producers, and PROs in the implementation of this Act. This bill would make several changes to SB 54’s provisions. Specifically, in its current form, SB 303 would do the following:

- Revise and clarify certain definitions in the Act, including more clearly defining what constitutes a “responsible end market”;
- Expressly authorize CalRecycle to adopt regulations to establish standards for PROs regarding responsible end markets for covered material and to establish criteria that prioritizes benefits to the environment and minimizes risks to public health and worker health and safety;
- Establish a modified process to resolve claims by franchise haulers, recycling and composting facilities, and other affected entities that specific actions taken by a PRO to meet the Act’s requirements are disrupting or otherwise adversely affecting the sustained operation or commercial viability of solid waste collection programs, solid waste recycling facilities, or composting facilities providing services in accordance with local solid waste handling requirements. The new process would require the PRO advisory agency to evaluate such a claim and make a recommendation for resolution to the parties and would authorize either party to thereafter initiate arbitration to resolve the dispute. CalRecycle would be authorized to review and revise the decision of the arbitrator.

Status as of July 6, 2023

SB 303 passed out of the Senate to the Assembly on May 25, 2023. The bill was amended in the Senate on June 29th and re-referred to the Senate Judiciary Committee, before which a hearing is currently scheduled for July 11, 2023.

Assembly Bill (AB) 1489 – Plastic Pollution Prevention and Packaging Producer Responsibility Act (SB 54) Amendments

Author(s)

Assm. Wood (D)

Summary

In 2022, the Legislature enacted the Plastic Pollution Prevention and Packaging Producer Responsibility Act (SB 54), which imposes minimum content requirements for single-use packaging and plastic food service ware and source reduction requirements for plastic single-use packaging and plastic food service ware, to be achieved through an extended producer responsibility (EPR) program. As amended, AB 1489 would exempt packaging and plastic food service ware that are “compostable” from SB 54’s source reduction requirements, thereby allowing for the development and use of compostable plastics. For purposes of the bill, to be deemed “compostable” under State law standards, a compostable plastic would need to break down as easily as food waste or food-soiled paper. Such products do not currently exist in the market but could conceivably be developed.

Status as of July 6, 2023

AB 1489 passed out of the Assembly to the Senate on May 25, 2023. The bill passed out of the Senate Environmental Quality Committee without further amendments on June 29th and is currently pending before the Senate Appropriations Committee.

Senate Bill (SB) 665 – Single-Use Plastics Alternatives Working Group

Author(s)

Sen. Allen (D)

Summary

In 2022, the Legislature enacted the Plastic Pollution Prevention and Packaging Producer Responsibility Act (SB 54), which requires producers of single-use packaging and single-use plastic food service ware to take responsibility for the end-of-life management of the material they put into the marketplace. Among the requirements of SB 54 is a mandate on producers to reduce the amount of single-use plastic they use by 25 percent by 2032. It is anticipated that companies will need to develop alternative materials in order to accomplish this goal. SB 665 would require CalEPA to establish a working group made up of various state agencies to establish framework for evaluating novel plastic and plastic-alternative material types used to produced single-use products and make recommendations in order to inform state policy decisions. Specifically, in developing the framework, the working group would be tasked with:

1. Ensuring the framework can be used as a comparative tool to assess novel material types to determine potential impacts to human health and the environment, and assess the ease with which those material types can be readily recycled, composted, or reused; to enable an assessment and categorization based on the full life cycle of novel material types, including, but not limited to, the material’s source and its end-of-life properties; and to enable a comparative analysis of

material life cycles, including comparing the life cycle impacts of novel materials to similar life cycles of the same type of finished products made from a variety of materials, including, but not limited to, fossil fuel-based plastic, paper, and, where possible, other natural materials like bamboo, sugar cane, agave, and pasta;

2. Considering trade-offs between sustainability objectives and risks, including, but not limited to, greenhouse gas emissions, water usage, impacts to public health, pollution, and impacts to the environment and wildlife;
3. Consulting with academic experts in this sector, industry innovators, environmental advocacy organizations, and environmental justice advocates; and
4. Reviewing existing scientific data, research, and testing methodologies.

Status as of July 6, 2023

SB 665 passed out of the Senate to the Assembly on May 24, 2023. The bill was reviewed by the Assembly Natural Resources Committee, amended in the Assembly on June 20th, and referred to the Assembly Appropriations Committee on June 21st. No hearing before the Appropriations Committee has yet been held or is currently scheduled, however.

Senate Bill (SB) 728 – Plastic Gift Card Ban

Author(s)

Sen. Limon (D)

Summary

As amended, SB 728 would prohibit California retailers from selling or distributing plastic gift cards beginning in 2027. Plastic gift cards generally cannot be recycled. The ban would not apply to gift cards usable with multiple sellers of goods or services. This exemption does not apply to a gift card usable only with affiliated sellers of goods or services. A retailer would also be permitted to continue to sell an existing stock of plastic gift cards that were acquired before January 1, 2027, until January 1, 2028. The ban would be enforceable by cities and counties, as well as the Attorney General and district attorneys. Violators would be subject to civil fines of \$25 per day for the first violation and \$100 per day for each subsequent violation.

Status as of July 6, 2023

SB 728 passed out of the Senate to the Assembly on May 22, 2023. The bill was heard in the Assembly Natural Resources Committee, amended in the Assembly on June 21, 2023, and referred to the Assembly Appropriations Committee on June 22, 2023. No hearing before the Appropriations Committee has yet been held or is currently scheduled, however.

BEVERAGE CONTAINERS

Senate Bill (SB) 353 – Expansion of CRV Program to Large Juice Containers and Change in How Processing Payments to Recyclers are Calculated

Author(s)

Sen. Dodd (D)
Sen. Gonzalez (D)

Summary

Large) fruit juice (46 ounces or more) and vegetable juice (16 ounces or more) containers are currently exempt from CRV Program requirements that apply to other types of beverage containers. SB 353 would eliminate this exemption and expand the CRV Program to include such large fruit and vegetable juice containers, beginning in 2024. Such containers would not have to comply with the Bottle Bill's postconsumer recycled plastic content requirements until 2026, however.

SB 353 would also change the methodology CalRecycle uses to calculate processing payments to recyclers by authorizing it to adjust the processing payment amount quarterly, instead of annually, based on the lower of the applicable preceding 3-month or 12-month average scrap value instead of only the prior 12-month scrap value. This change is intended to protect recyclers from large changes in processing fee payments due to market fluctuation. SB 353 is an urgency measure and would take effect immediately if adopted by the Legislature and approved by the Governor.

Status as of July 6, 2023

SB passed out of the Senate to the Assembly on May 31, 2023. The bill was referred to the Assembly Natural Resources Committee on June 8th, and the first hearing on the bill before that Committee is currently scheduled for July 10th.

HAZARDOUS WASTE / HOUSEHOLD HAZARDOUS WASTE

SOLAR PANELS

Assembly Bill (AB) 2 – Solar Panel Manufacturer End-of-Life Management Plans

Author(s)

Assm. Ward (D)

Summary

As approved in the Assembly, AB 2 would have required manufacturers of solar panels sold in California to develop and implement a CalRecycle-approved end-of-life management plan for their safe, convenient, and environmentally sound management and recycling. However, the bill has been substantially amended in the Senate. Pursuant to the Senate amendments, the requirement for an end-of-life management plan would only apply to solar panels that are not customer-owned, and the plans would not have to be

approved in advance by CalRecycle. Instead, CalRecycle would be directed to develop guidance as to what the plans must include and could selectively audit the plans for compliance. The end-of-life management plan would need describe how the solar panel will be managed at the end of its useful life, who is responsible for managing it, and how it will be recycled, refurbished, or reused. For customer-owned solar panels, retailers would be required to charge the customer (or service provider servicing a customer) a fee at purchase, which would be passed onto the State and used to make payments to collectors and recyclers of used solar panels (similar to the existing program for video display devices and battery-embedded products).

Status as of July 6, 2023

AB 2 passed out of the Assembly to the Senate on May 25, 2023. The bill has been amended twice in the Senate and is currently in the Senate Environmental Quality Committee, before which a hearing on the bill as amended on June 28th is currently scheduled for July 12th.

Assembly Bill (AB) 1238 – Alternative Management Standards for Recycling of Solar Panels

Author(s)

Assm. Ward (D)

Summary

This bill would require DTSC to develop alternative management standards for solar panels that would allow solar panels to be collected, reused, recycled, or landfilled without a hazardous waste permit, streamline the collection and recycling process, and make it more flexible and administratively convenient.

Status as of July 6, 2023

AB 1238 passed out of the Assembly to the Senate on May 25, 2023. The bill was referred to the Senate Environmental Quality Committee on June 7th, but there have been no committee hearings on the bill and no committee hearing is currently scheduled.

BATTERIES

Senate Bill (SB) 615 – Recycling / Reuse of Electric Vehicle Batteries

Author(s)

Sen. Allen (D)
Sen. Min (D)

Summary

SB 615 would require all electric vehicle (EV) traction batteries sold with cars in the state to be recovered and reused, repurposed, remanufactured, or recycled at the end of their useful life in a motor vehicle or

other application. The bill would make vehicle and traction battery manufacturers primarily responsible for ensuring proper end-of-life management of these batteries. If a battery must be removed from a vehicle while still under warranty, the producer would have to ensure the battery is either repaired, repurposed, or recycled. Similarly, a manufacturer would be responsible for any “stranded” or “orphaned” batteries (e.g. batteries that have no clear owner or that would be too expensive to recycle or repurpose) as long as that battery can be traced to the manufacturer. However, there are several points at which responsibility for end-of-life management would pass from the manufacturer to another party. Whenever an automobile dismantler, repair dealer, or nonvehicle secondary user removes a battery from a vehicle they would become a “secondary handler” and assume responsibility for the battery’s disposal. In order to incentivize secondary users to return batteries to manufacturers or to a qualified repurposing or recycling facility, the bill would implement a “core exchange program,” under which buyers would pay a core exchange deposit when purchasing a new or replacement traction battery. The battery suppliers would keep these deposits in escrow and, upon receiving proof of proper disposal of the battery from a secondary user (either by returning the battery to the manufacturer or to a qualified facility), they would provide the deposit in payment to the secondary user. If a battery never makes it all the way down the chain to recycling and is “orphaned” or “stranded”, the battery supplier could use the money of the core exchange deposit to fund the collection and disposal of the battery. In lieu of this process, a battery supplier could enter into a contractual agreement with a secondary user or recycler to ensure removed batteries are properly managed.

These new provisions would replace existing statutory requirements related to the recovery and recycling of lithium-ion vehicle batteries sold with motor vehicles in the state.

Status as of July 6, 2023

SB 615 passed out of the Senate to the Assembly on May 25th. The bill was referred to the Assembly Committee on Environmental Safety and Toxic Materials on June 8th. A hearing before that committee scheduled for June 15th was cancelled at the request of the author and no hearing date is currently scheduled.

ELECTRONIC WASTE

Senate Bill (SB) 244 – Right to Repair Act

Author(s)

Sen. Eggman (D)

Summary

This bill would provide consumers with a right to repair to a broad range of consumer electronics, such as televisions, personal computers, printers, speakers, cellphones, and tablets, and appliances such as microwaves, refrigerators, washers, dryers, and dishwashers. The bill would apply to products that have been first sold or used in California (regardless of where they were manufactured, designed, or assembled) on or after July 1, 2021, and have a wholesale price of at least \$50. Under this bill, a manufacturer of a covered product would have to make available sufficient documentation, parts, and tools on fair and reasonable terms to allow either the product’s owner or an independent repair shop to diagnose issues with, maintain, and repair the product. Manufacturers would have to make documentation, parts, and

tools available for three years from a product's last date of manufacture if the product's wholesale cost was between \$50 and \$99.99, and seven years if it was \$100 or more. By making it easier for consumers to get electronic devices and appliances repaired, the bill could reduce the amount of electronic waste that consumers dispose of.

Status as of July 6, 2023

SB 244 passed out of the Senate to the Assembly on May 30th. The bill has been heard in the Assembly policy committees several times and has been amended in the Assembly three times (most recently on June 29th). The bill is currently in the Assembly Appropriations Committee.

Senate Bill (SB) 568 – Export of Electronic Waste

Author(s)

Sen. Newman (D)

Summary

Existing law, the Electronic Waste Recycling Act of 2003, enacts a comprehensive system for the reuse, recycling, and proper and legal disposal of covered electronic devices. The Act currently requires a person who exports covered electronic waste or devices intended for recycling or disposal to a foreign country or to another state to demonstrate that doing so will comply with all applicable state, federal, and international laws and specified international guidelines for the safe handling of electronic waste. SB 568 would add to these requirements that persons intending to export covered electronic waste or devices out of California also demonstrate that the waste or device could not be managed by an in-state covered electronic waste recycler.

Status as of July 6, 2023

SB 568 passed out of the Senate to the Assembly on May 24th. The bill was amended in the Assembly on June 13th, and the amended bill has passed out of the Assembly Environmental Safety and Toxic Materials Committee and been referred to the Assembly Natural Resources Committee, before which a hearing on the bill is currently scheduled for July 10th.

PAINT

Assembly Bill (AB) 1526 – Paint Stewardship Law Amendments

Author(s)

Assembly Committee on Natural Resources

Summary

AB 1526 is an omnibus bill that proposes amendments to several provisions of the Public Resources Code. Among other amendments, the bill would (1) make several clean-up changes to the Plastic Pollution Prevention and Packaging Producer Responsibility Act (SB 54 (Allen) 2022), which enacted an EPR program for packaging and food ware, and (2) add aerosol paint to California’s Paint Stewardship Law, which is an EPR program for paint products.

One pertinent change to SB 54 would clarify how local jurisdiction costs will be reimbursed. Under SB 54, local jurisdictions and recycling service providers are required to include all “covered material” in their collection and recycling programs (subject to certain exceptions). This may require cities and waste haulers to accept materials for recycling that are currently designated as nonrecyclable trash and to process, sort, and transport these materials. This will result in increased costs for local jurisdictions and recycling service providers. SB 54 contemplated that local jurisdictions and recycling service providers would recover these additional costs from producers through the fees charged to producers and a reimbursement mechanism to be determined through the plan prepared by producers and approved by CalRecycle. AB 1526 would put a little more meat on this bone by clarifying that the approved plan must include a mechanism and schedule for transferring a portion of the collected fees to local jurisdictions and that producers must determine reimbursable costs based on information provided by local jurisdictions and recycling service providers.

AB 1526 would also amend California’s Paint Stewardship Law to cover aerosol spray paint and similar aerosol coating products, require manufacturers or a stewardship organization to submit an aerosol paint stewardship plan to CalRecycle for approval by July 1, 2026, change the due date for the annual report submitted to CalRecycle by the producer stewardship organization(s) from November 1st to May 15th, and would authorize CalRecycle, in consultation with DTSC, to adopt regulations to implement the paint stewardship law.

Status as of July 6, 2023

AB 1526 passed out of the Assembly to the Senate on May 18th. The bill has been amended three times in the Senate and is currently in the Senate Environmental Quality Committee, where a hearing is currently scheduled for July 12th.

CARPETS / TEXTILES

Senate Bill (SB) 707- Responsible Textile Recovery Act of 2023

Author(s)

Sen. Newman (D)

Summary

SB 707 would establish the Responsible Textile Recovery Act of 2023, which would create an Extended Producer Responsibility (EPR) program for the collection and recycling of postconsumer apparel and textiles, with oversight from CalRecycle, similar to EPR programs that have been established for other products. Textile manufacturers and producers would be required to establish and implement a CalRecycle approved stewardship program for the collection and recycling of unwanted postconsumer apparel, cloth, towels, bed sheets, blankets, curtains, pillows, and other textile articles. CalRecycle would have until December 31, 2025 to adopt regulations to implement the new law. Producers would have 12 months after CalRecycle adopts regulations to submit a stewardship plan to CalRecycle and would have to implement the plan within 12 months of its approval by CalRecycle. The plan would need to be reviewed at least every 5 years thereafter. Producers would also have to submit annual reports to CalRecycle. Producers that fail to comply with the law, regulations, and/or approved plan would be subject to civil penalties and prohibited from selling or distributing their products in California.

Status as of July 6, 2023

SB 707 passed out of the Senate to the Assembly on May 31st. The bill was amended in the Assembly on July 3rd and re-referred to the Assembly Natural Resources Committee, before which a hearing is currently scheduled for July 10th.

Assembly Bill (AB) 863 -- Carpet Stewardship Program Amendments

Author(s)

Assm. Curry (D)

Summary

California has had an extended producer responsibility (EPR) program for carpet since 2011. Under this EPR program, California consumers pay a carpet stewardship assessment fee when purchasing carpet, which funds a statewide carpet recycling program known as the Carpet America Recovery Effort (CARE), which is a Producer Responsibility Organization (PRO) designed and implemented by carpet manufacturers with CalRecycle oversight. AB 863 is intended to improve accountability for CARE and other consumer-funded carpet recycling programs by increasing civil penalties for violating the State's carpet stewardship law, making repeat offenders ineligible to run the program, and requiring at least 10% of the assessments collected to be expended for grants to apprenticeship programs for training apprentice and journey-level carpet installers in proper carpet recycling practices. As amended, the bill would also authorize CalRecycle to adopt regulations that establish requirements for carpet stewardship organizations or manufacturers to take specific actions to bring those entities into compliance with the requirements of

the carpet stewardship laws. The purported need for this bill is that CARE has failed to administer the program effectively and equitably and has required oversight and repeated enforcement by CalRecycle.

Status as of July 6, 2023

AB 863 was introduced on February 14, 2023, was amended three times in the Assembly, and passed out of the Assembly to the Senate on May 30th. The bill has passed out of the Senate policy committees, was amended in the Senate on July 6th, and has been referred to the Senate Appropriations Committee. No hearing before that Committee has yet been scheduled.

ORGANICS

Assembly Bill (AB) 573 – Meeting SB 1383 Organic Waste Product Procurement Targets

Author(s)

Assm. Garcia (D)

Summary

CalRecycle’s SB 1383 regulations require cities and counties to procure recovered organic waste products to meet an annual procurement target, which is based on population. A city or county can meet its procurement requirement in several ways, including by procuring and using or giving away compost. However, the regulations currently require that compost be processed in California by a facility permitted by the State in order for a city or county to count it towards its procurement target. AB 573 would provide additional flexibility to rural cities and counties in Northern and Eastern California where in-state processing facilities are unavailable or transportation costs make use of an in-state processing facility cost-prohibitive by allowing them, until 2039, to count towards their procurement targets California-derived recovered organic waste that the city or county sends for processing at an out-of-state facility or operation located within 125 miles of the city or county.

Status as of July 6, 2023

AB 573 passed out of the Assembly to the Senate on May 31st. The bill was further amended in the Senate on June 27th and is currently in the Senate Environmental Quality Committee, before which a hearing on the bill is currently scheduled for July 12th.

Senate Bill (SB) 613 – Low-Population Exemption from SB 1383

Author(s)

Sen. Seyarto (R)

Summary

This bill would exempt very small jurisdictions from the provisions of SB 1383 and CalRecycle’s SB 1383 regulations. The exemption would only apply to a jurisdiction that disposes less than 5,000 tons of solid waste per year and has a population of less than 7,500 people.

Status as of July 6, 2023

SB 613 was introduced on February 15, 2023, was amended once in the Senate, and passed out of the Senate to the Assembly on May 25th. The bill has passed out of the Assembly policy committees, was amended in the Assembly on June 28th, and is now in the Assembly Appropriations Committee. No pending Committee hearing is currently scheduled.

Assembly Bill (AB) 660 – Elimination of “Sell By” Dates on Food Labels

Author(s)

Assm. Irwin (D)

Summary

AB 660 would change the use of “sell-by” and “use-by” dates for food products from a voluntary system to a requirement for food products sold in California, starting January 1, 2025. Specifically, this bill would generally prohibit the use of a “sell by” label on food products and, instead, require that all for sale food items be labeled with a “best if used by” (the quality date) and/or “use by” (safety date) label. The use of a “sell by” date would only be allowed if it is presented in a coded format that is not easily readable by consumers and that does not use the phrase “sell by.” The bill would also expressly allow for the donation of food after the “best if used by” date has passed. Special requirements would apply to eggs and shellfish under the current version of the bill.

Status as of July 6, 2023

AB 660 was introduced on February 9, 2023, was amended three times in the Assembly, and passed out of the Assembly to the Senate on May 30th. The bill was heard in the Senate Health Committee and thereafter further amended by the Senate on June 26th and referred to the Senate Agriculture Committee. A July 3rd hearing before that Committee was cancelled at the request of the bill’s author, however, and the author has agreed to work on additional amendments to exempt eggs and beer from the bill’s requirements.

OTHER BILLS RELATED TO SOLID WASTE

Senate Bill (SB) 367 – State and Federal Land Waste Removal and Cleanup Grant Program

Author(s)

Sen. Seyarto (R)

Summary

This bill would rename an existing grant program the Farm, Ranch, and Public Lands Solid Waste Cleanup and Abatement Grant Program and extend its purposes to cleaning up and abating the effects of solid waste that is illegally disposed of on public lands owned by the state or federal government. The bill would create the Public Lands Solid Waste Cleanup and Abatement Account in the General Fund and would authorize CalRecycle to expend the moneys in the account for these extended grant program purposes upon appropriation by the Legislature in the annual Budget Act.

Status as of July 6, 2023

SB 367 was introduced on February 9, 2023, was amended in the Senate on March 16, 2023, and passed out of the Senate to the Assembly on May 25th. The bill passed out of the Assembly Natural Resources Committee, was amended in the Assembly on June 28th, and is now in the Assembly Appropriations Committee. No pending Committee hearing date is currently scheduled.