

Regional Solid Waste Association

City of Del Mar
Terry Sinnott

City of Encinitas
Mark Muir

City of National City
Ron Morrison

City of Poway
Dave Grosch

City of Solana Beach
Mike Nichols

City of Vista
Cody Campbell

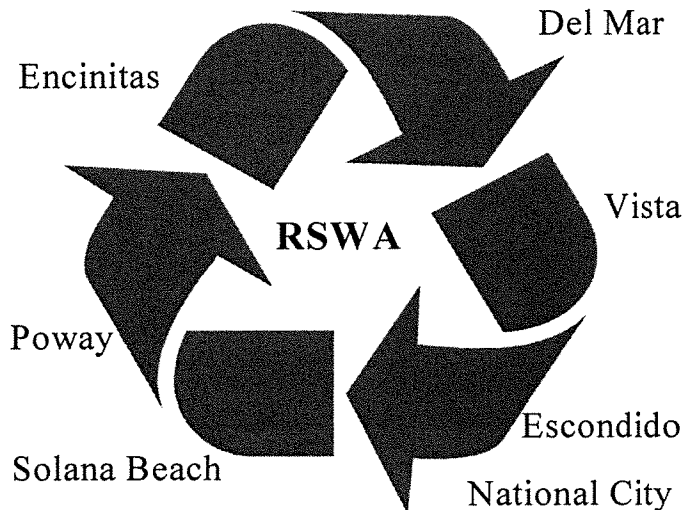
Special Contract Party
City of Escondido
Michael Morasco

General Manager/General Counsel
James H. Eggart

REGULAR MEETING AGENDA

JULY 7, 2016
9:00 a.m.

Fletcher Cove Community Center
133 Pacific Avenue
Solana Beach, CA



REGIONAL SOLID WASTE ASSOCIATION

REGULAR MEETING AGENDA

July 7, 2016

9:00 a.m.

**Fletcher Cove Community Center
133 Pacific Avenue
Solana Beach, CA**

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. Anyone desiring to speak is requested to fill out a speaker slip.

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 7, 2016 Meeting of the Board of the Regional Solid Waste Association – Action: Receive and File

5. REPORT BY MEMBER CITIES ON USE OF HHW EDUCATIONAL FUNDING AND ENVIRONMENTAL ENHANCEMENT FUNDING – INFORMATION ITEM

This item is scheduled for each of the Member Cities to report for FY 2015/16 on the use of (1) the RSWA supported \$1,000 per jurisdiction HHW educational funding, and (2) the RSWA Environmental Enhancement Fund Distribution in their respective Cities

6. **FINANCE AND BUDGET – INFORMATION AND ACTION ITEMS**

A. RSWA Investment Report for the Fourth Quarter of Fiscal Year 2015/2016 – Information Item (Receive and File)

Treasurer Sinnott, General Manager Eggart and Fiduciary Agent Lauren Warrem of the City of Vista will review the investment report as of June 29, 2016.

The recommendation is to receive and file the investment report.

B. Review Budget and Expenditure Status for the Fourth Quarter of Fiscal Year 2015/2016 - Information Item (Receive and File)

Treasurer Sinnott, General Manager Eggart and Fiduciary Agent Lauren Warrem of the City of Vista will review the fourth quarter budget and expenditure status as of June 29, 2016.

The recommendation is to review the status of both the budget and expenditures and receive and file the reports.

C. Review FY 2016/2017 and FY 2017/2018 Budgets – Action Item

General Manager Eggart and the Budget Subcommittee composed of Chairperson Morrison, Treasurer Sinnott and Vice Chairperson Nichols will present the draft FY 2016/2017 and FY 2017/2018 Budgets for review and approval.

The Budget Subcommittee recommends approval of the draft Budgets for the two fiscal years.

D. Review the Draft RSWA Statement of Investment Policy and Adopt Resolution No. 2016-01 Approving the Policy – Action Item

General Manager Eggart and Fiduciary Agent Lauren Warrem of the City of Vista, RSWA's Fiduciary Agent, are recommending approval of the Association's Statement of Investment Policy through adoption of Resolution No. 2016-01. The Policy mirrors the investment policy of the City of Vista and has been updated to reflect recent changes to the City of Vista's investment policy.

7. **HOUSEHOLD HAZARDOUS WASTE (HHW) AND OTHER SOLID WASTE ISSUES – INFORMATION AND POSSIBLE ACTION ITEM(S)**

A. **HHW Participation Reports - Information Item**

General Manager Eggart and Bill Wilson of the City of Encinitas will review the HHW participation reports.

B. **Legislative Update – Information Item**

General Manager Eggart will update the Board on pending legislation of interest relating to solid waste and household hazardous waste.

C. **Update on HHW Issues and Other Potential Future Issues – Information Item**

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

D. **Website Activity Report – Information Item**

RSWA Website Activity Report for fourth quarter and FY 2015/2016 – Information Item Only (Receive and File).

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

A. **Discuss Start Time for Future Meetings – Possible Action Item**

Per Board Member Grosch's request at the April 7, 2016 meeting, this item is scheduled for the Board to discuss whether to adjust the current 9:00 a.m. start time for Regular Meetings of the Board. Section 3 of the Regional Solid Waste Association By-Laws provides that regular meetings of the Association shall be normally held on the first Thursday of the months of January, April, July and October at 9:00 A.M. at the Fletcher Cove Community Center, 133 Pacific Avenue, Solana Beach, CA; or at another time or location at the sole discretion of the Board of Directors.

B. **Discuss and Approve Future Meeting Schedule – Possible Action Item**

October 6, 2016
January 5, 2017
April 6, 2017

This item is scheduled for discussion and approval of the future meeting schedule.

C. 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.

D. Approval of Board Members and Staff Attendance and Conference Expenses at all of the Following Meetings, Including Out of State Meetings, of the Following Organizations Which List Shall be Titled “List of Accepted Organizations and Conferences” – Action Item:

1. SWANA (Solid Waste Association of North America) sponsored conferences and SWANA chapter meetings
2. Waste 360 – Waste Age and Waste Expo Events
3. NSWMA (National Solid Waste Management Association) and WASTEC (Waste Equipment Technology Association) sponsored conferences
4. NAHMMA (North American Hazardous Materials Management Association) sponsored conferences and meetings
5. National Recycling Coalition sponsored events
6. California Department of Resources Recycling and Recovery (CalRecycle) sponsored events

The recommendation is to approve the attendance and expenses at the list of approved organizations and meetings, including out of state meetings, for possible conference attendance by Board Members and RSWA Staff.

9. 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.

10. ADJOURNMENT

Adjourn to the meeting of October 6, 2016 at 9:00 a.m. at the Fletcher Cove Community Center, 133 Pacific Avenue, Solana Beach, CA.

NOTE: Members of the Public may fill out a speaker slip to speak on any item on the Agenda or speak on any matter within the purview of the Association under the heading of Oral Communications.

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 # 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 time of the meeting. Additional information is available through the General Manager to the Association at (714) 415-1062.

**PUBLIC NOTICE FOR THE REGULAR MEETING OF
THE REGIONAL SOLID WASTE ASSOCIATION**

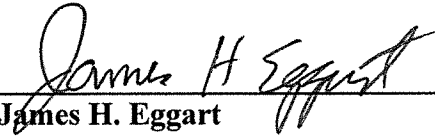
**July 7, 2016
9:00 a.m.**

**Fletcher Cove Community Center
133 Pacific Avenue
Solana Beach, CA**

In accordance with the requirements of California Government Code Section 54955, this Notice and the Agenda has been posted at Fletcher Cove Community Center, 133 Pacific Avenue, Solana Beach, CA and 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 H. 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 7, 2016 in the location listed above which is freely accessible to the public at or prior to 9:00 a.m. July 1, 2016.



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

**MINUTES
REGIONAL SOLID WASTE ASSOCIATION
REGULAR MEETING**

**April 7, 2016
9:00 a.m.**

**Fletcher Cove Community Center
133 Pacific Avenue
Solana Beach, CA**

BOARD MEMBERS IN ATTENDANCE:

**Deputy Mayor Terry Sinnott, City of Del Mar – RSWA Treasurer
Council Member Mark Muir, City of Encinitas
Deputy Mayor Michael Morasco, City of Escondido
Mayor Ron Morrison, City of National City – RSWA Chairperson
Council Member Mike Nichols, City of Solana Beach – RSWA Vice-Chairperson
Council Member Dave Grosch, City of Poway
Council Member Cody Campbell, City of Vista**

STAFF RESOURCES IN ATTENDANCE:

**James H. Eggart, General Manager/General Counsel
Lauren Warrem, Finance Manager/Treasurer – City of Vista**

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Vice-Chairperson Nichols called the meeting to order at 9:15 a.m. All Board members were present with the exception of Chairperson Morrison who arrived at 9:20 a.m. and Board Member Muir who was not present for the meeting.

Vice-Chairperson Nichols led the Board in the Pledge of Allegiance.

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

There were no new Board members to be sworn-in.

3. ORAL COMMUNICATIONS

This item was scheduled to provide an opportunity for public testimony on matters within the jurisdiction of the Association.

There were no oral communications presented.

4. **CONSENT CALENDAR**

- A. The consent calendar included the receipt and filing of the Regular Board Meeting Minutes of January 7, 2016.

MOTION WAS MADE TO APPROVE THE CONSENT CALENDAR.
(Motion by Board Member Morasco, City of Escondido / Second by Board Member Sinnott, City of Del Mar). Motion was approved by a vote of 5 ayes, 0 nays and 2 absent.

Ayes: Campbell, Grosch, Morasco, Nichols, Sinnott

Nays:

Abstain:

Absent: Morrison, Muir

5. **ELECTION OF OFFICERS – ACTION ITEM**

This item was scheduled for the election of officers. The last election of officers was held at the April 2, 2015 Board meeting.

MOTION WAS MADE TO REAPPOINT RON MORRISON AS CHAIRPERSON.
(Motion by Vice-Chairperson Nichols, City of Solana Beach / Second by Board Member Morasco, City of Escondido). Motion was approved by a vote of 6 ayes, 0 nays and 1 absent.

Ayes: Campbell, Grosch, Morasco, Morrison, Nichols, Sinnott

Nays:

Abstain:

Absent: Muir

MOTION WAS MADE TO REAPPOINT EXISTING OFFICERS AS FOLLOWS: MIKE NICHOLS – VICE CHAIRPERSON; TERRY SINNOTT – TREASURER; DAVE GROSCH - SECRETARY. (Motion by Chairperson Morrison, City of National City / Second by Board Secretary Grosch, City of Poway). Motion was approved by a vote of 6 ayes, 0 nays and 1 absent.

Ayes: Campbell, Grosch, Morasco, Morrison, Nichols, Sinnott

Nays:

Abstain:

Absent: Muir

6. SOLID WASTE DISPOSAL CONTRACT RATE – INFORMATION ITEM

General Manager Eggart updated the Board on the annual disposal rate adjustment and advised the Board that disposal rates for each city will increase 1.88% effective July 1, 2016. For the Cities of Del Mar, Encinitas, Solana Beach and Vista the rate increased by \$0.87 (from \$46.28 per ton to \$47.15 per ton). For the Cities of National City and Poway, the rate increased by \$0.78 (from \$41.73 per ton to \$42.51 per ton).

7. FINANCE AND BUDGET - INFORMATION & ACTION ITEMS

A. RSWA Investment Report for the Third Quarter of Fiscal Year 2015/2016 – Information Item (Receive and File)

Treasurer Sinnott, General Manager Eggart and Fiduciary Agent Lauren Warrem of the City of Vista reviewed the investment report as of March 28, 2016.

MOTION WAS MADE TO RECEIVE AND FILE THE INVESTMENT REPORT. (Motion by Board Member Morasco, City of Escondido / Second by Board Secretary Grosch, City of Poway). Motion was approved by a vote of 6 ayes, 0 nays and 1 absent.

Ayes: Campbell, Grosch, Morasco, Morrison, Nichols, Sinnott

Nays:

Abstain:

Absent: Muir

B. Review Budget and Expenditure Status for the Third Quarter of Fiscal Year 2015/2016 – Information Item (Receive and File)

Treasurer Sinnott, General Manager Eggart and Fiduciary Agent Lauren Warrem of the City of Vista reviewed the third quarter budget and expenditure status as of March 28, 2016.

MOTION WAS MADE TO RECEIVE AND FILE THE BUDGET AND EXPENDITURE REPORTS. (Motion by Board Member Morasco, City of Escondido / Second by Vice-Chairperson Nichols, City of Solana Beach). Motion was approved by a vote of 6 ayes, 0 nays and 1 absent.

Ayes: Campbell, Grosch, Morasco, Morrison, Nichols, Sinnott

Nays:

Abstain:

Absent: Muir

C. Review FY 2016/2017 and FY 2017/2018 Budget Process – Possible Action

General Manager Eggart reviewed the past practice of annually appointing a budget subcommittee. He stated that the budget subcommittee for the past year was Chairperson Morrison, Treasurer Sinnott and Vice-Chairperson Nichols.

MOTION WAS MADE TO APPOINT THE BUDGET SUBCOMMITTEE OF CHAIRPERSON MORRISON, TREASURER SINNOTT AND VICE CHAIRPERSON NICHOLS. (Motion by Board Treasurer Sinnott, City of Del Mar / Second by Board Secretary Grosch, City of Poway). Motion was approved by a vote of 6 ayes, 0 nays and 1 absent.

Ayes: Campbell, Grosch, Morasco, Morrison, Nichols, Sinnott
Nays:
Abstain:
Absent: Muir

8. HOUSEHOLD HAZARDOUS WASTE (HHW) ISSUES – INFORMATION AND POSSIBLE ACTION

A. HHW Participation Reports – Information Item

Bill Wilson of the City of Encinitas reviewed the third quarter and year-to-date HHW participation reports for the Board. Mr. Wilson reported that, overall, participation has been flat and the number of home pickups is down; however, total pickups and drop-offs are close to what they were for the prior year.

B. Update on HHW Items – Information Item

General Manager Eggart updated the Board on pertinent household hazardous waste and other waste disposal issues of interest. General Manager Eggart provided the Board with an update on the status of drug take-back ordinances in Los Angeles County and other jurisdictions, reported on the status of pending State legislative bills that would impact solid waste and household hazardous waste issues, and advised the Board of an upcoming CalRecycle workshop about how global market conditions have contributed to a decline in recyclable materials commodity prices and impacted the flow of recyclables in California.

Board Member Morasco left the meeting at 9:56 p.m.

9. ADMINISTRATIVE MATTERS – POSSIBLE ACTION ITEMS

A. Review Future Meeting Schedule – Possible Action Item

July 7, 2016
October 6, 2016
January 5, 2017

This item was scheduled for discussion and approval of the future meeting schedule. The Board made no changes to the current meeting schedule.

B. Update on Potential Educational Conference Attendance – Action Item

General Manager Eggart provided the Board Members with information about the Waste Expo Conference in Las Vegas, June 6-9, 2016. Board Member Campbell has registered to attend the conference. General Manager Eggart informed the Board Members that there was still an opportunity for any Board member who wanted to attend the WasteExpo conference in Las Vegas to do so. General Manager Eggart also provided the Board Members with information on the upcoming WASTECON conference in Indianapolis, August 22-25, 2016, and the MRF and Recycling Plant Operations Forum in Chicago, October 17-18, 2016.

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

Board Member Campbell reported that he attended the Global Waste Symposium in Indian Wells on January 31-February 2, 2016, that the conference was technically focused, and that he found the information provided concerning food waste recycling and keeping organics out of landfills to be interesting and useful.

10. COMMENTS FROM ASSOCIATION MEMBERS AND GENERAL MANAGER

Board Secretary Grosch brought up the possibility of making the start time for the Board meetings later in the morning. This matter is to be agendaized for further discussion at the next Board meeting.

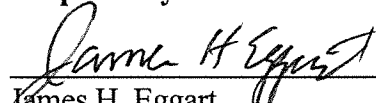
Vice-Chairperson Nichols announced that Dan King was promoted to Assistant City Manager for the City of Solana Beach.

Chairperson Morrison commented on potential resident confusion on the “level” of recycling for plastics. Jeff Ritchie of EDCO responded.

11. ADJOURNMENT

The Chairperson adjourned the meeting at 10:08 a.m. to the meeting of July 7, 2016 at 9:00 a.m. at the Fletcher Cove Community Center, 133 Pacific Avenue, Solana Beach.

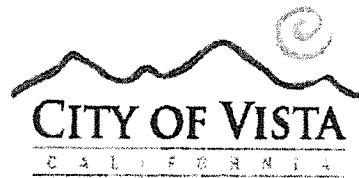
Respectfully Submitted:



James H. Eggart
General Manager

Approved:

Dave Grosch
RSWA Secretary



To: James H. Eggart, RSWA General Manager/General Counsel
From: Richard Hertz, Finance Manager/Deputy Treasurer *RZH*
Date: June 29, 2016
Subject: Regional Solid Waste Association's Quarterly Investment Report

BACKGROUND

A quarterly 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.

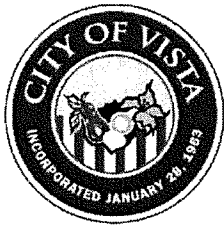
RESULTS

The invested RSWA cash balance as of June 29, 2016 was \$430,162.

In 2010, RSWA's cash invested in the Local Agency Investment Fund (LAIF) was transferred to the City of Vista and was taken in as part of the City of Vista's investment portfolio. The cash activities of RSWA are accounted for within a separate fund (Fund 709) within the City of Vista's general ledger structure. Investment earnings are allocated to RSWA on a monthly basis, based upon RSWA's cash balance as a percentage of the overall City portfolio balance.

RSWA's cash balance is available on an "on demand" basis with immediate liquidity. The most recently Council approved City of Vista Treasurer's Cash Report for the month ended April 30, 2016, is attached as a reference.

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



AGENDA REPORT

- CITY COUNCIL
- COMMUNITY DEVELOPMENT COMMISSION
- SUCCESSOR AGENCY
- BUENA SANITATION DISTRICT
- JOINT POWERS FINANCING AUTHORITY

Department: Finance

Item No: C3

Prepared By: Richard Hertz, Finance Manager

Meeting Date: June 28, 2016

Lauren Warrem, Director/Treasurer

Approved By: Patrick Johnson, City Manager

Agenda Location: Consent Calendar

SUBJECT: TREASURER'S CASH REPORT FOR THE MONTH ENDING APRIL 30, 2016

RECOMMENDATION: Receive and file the attached Treasurer's Cash Report for the month ending April 30, 2016.

PRIOR ACTION: On May 24, 2016, received the Treasurer's Cash Report for the month ending March 31, 2016 (Vote: 5-0).

STATEMENT ON THE SUBJECT: The City Treasurer is required to submit to the City Council and City Manager a monthly report of cash and investment balances and activity. Exhibit 1 provides the details of cash and investment activity for the month of April 2016 and cash and investment balances at April 30, 2016.

The City invests a large portion of its portfolio in U.S. Agency securities (85.20% of the portfolio as of April 30) due to safety and preservation of capital to prevent loss. In order to avoid having to sell securities at a possible loss because of unexpected or larger than normal disbursements, the City also invests a portion of its funds in the Local Agency Investment Fund (LAIF), which offers same day liquidity at a constant net asset value (12.06% of the portfolio). Additionally, the City invests in high quality municipal bonds (2.29% of the portfolio) to obtain higher yields and negotiable certificates of deposit (0.44% of the portfolio) to add diversity to the portfolio. Negotiable certificates of deposit are both insured and non-callable. The investments total to 99.99% due to rounding.

In compliance with California Government Code Section 53646, the City has sufficient investment liquidity and anticipated revenues to meet the City's budgeted expenditure requirements for the next six months. All investments are in compliance with state law and the City's Investment Policy.

FISCAL IMPACT: There is no direct fiscal impact associated with the staff recommendation. As detailed on the attached Treasurer's Cash Report, cash and investments as of April 30, 2016, totaled \$223,307,316 and funds managed by fiscal agents totaled \$9,502,810.

EXHIBITS:

1. Treasurer's Cash Report for the Month Ending April 30, 2016

ACTION: Received the report.
Vote: 5-0

Katrina J. Kelly

Clerk/Secretary

DATE: June 8, 2016
TO: Patrick Johnson, City Manager
FROM: Lauren Warrem, Director of Finance/Treasurer
PREPARED BY: Richard Hertz, Finance Manager/Deputy Treasurer
SUBJECT: Treasurer's Cash Report for the Month Ended April 30, 2016

During the month of April 2016, the City's total cash and investments decreased by \$4,142,414. The significant receipts and expenditures are listed below.

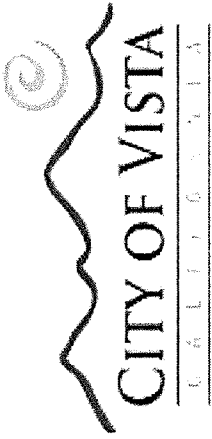
<u>Receipts</u>	
\$ 3,946,598	County of San Diego, tax apportionment
1,172,014	San Diego Gas & Electric, franchise fee
1,079,400	Regular sales tax
735,400	<i>TransNet</i>
460,200	Prop L sales tax
<u>\$ 7,393,612</u>	

<u>Expenditures</u>	
\$ 5,323,221	U.S. Bank bond principal and interest payments (various bonds)
2,119,854	Payroll expenditures
<u>\$ 7,443,075</u>	

The City's investment yield to maturity increased from 1.104% on March 31 to 1.115% on April 30. The weighted average maturity of the portfolio decreased from 741 days on March 31 to 725 days on April 30. The fiscal year to date effective rate of return through April 30 is 1.02%.

CASH AND INVESTMENTS (EXCLUDING FUNDS MANAGED BY FISCAL AGENTS)

Total Investments Per Attached Portfolio Details-Book Value		\$	222,230,381.09
Plus Cash in Bank			1,076,934.43
TOTAL CASH AND INVESTMENTS ON APRIL 30, 2016		\$	<u>223,307,315.52</u>
Total Cash and Investments on March 31, 2016		\$	227,449,729.88
April Receipts	\$	10,281,238.33	
April Disbursements	\$	(14,423,652.69)	
Net Change in Total Cash and Investments			(4,142,414.36)
TOTAL CASH AND INVESTMENTS ON APRIL 30, 2016		\$	<u>223,307,315.52</u>
FUNDS MANAGED BY FISCAL AGENTS		\$	<u>9,502,810.21</u>



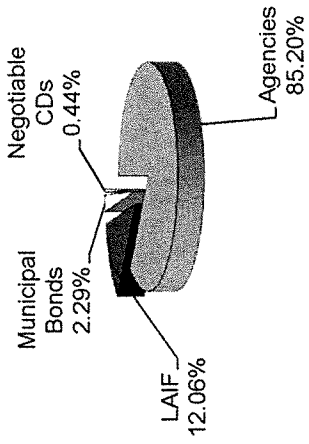
**Month End Reports
Portfolio Management
Portfolio Summary
April 30, 2016**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Local Agency Investment Fund	26,804,451.84	26,810,377.23	26,804,451.84	12.06	1	1	0.316	0.320
Federal Agency Issues - Coupon	186,629,000.00	188,337,703.52	187,350,831.01	84.30	1,367	845	1.167	1.183
Federal Agency Disc.-Amortizing	2,000,000.00	1,996,820.00	1,995,440.00	0.90	263	152	0.549	0.557
Municipal Bonds	5,100,000.00	5,135,463.00	5,100,000.00	2.29	1,670	498	3.041	3.083
Negotiable CD's Semi-Annual Int	980,000.00	980,248.90	979,658.24	0.44	707	66	0.814	0.826
Investments	221,513,451.84	223,260,612.65	222,230,381.09	100.00%	1,196	725	1.100	1.115

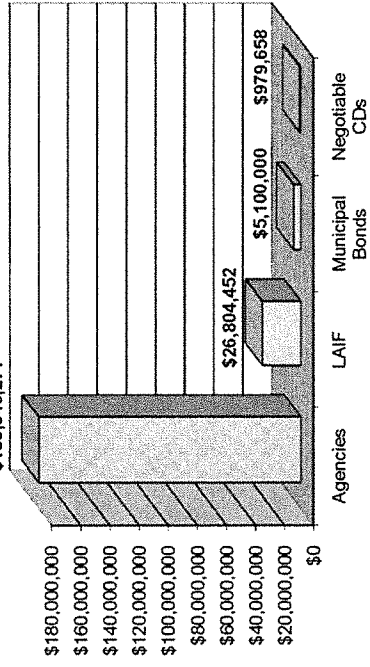
Total Earnings	April 30	Month Ending	Fiscal Year To Date
Current Year	207,100.80		1,875,455.90
Average Daily Balance	224,650,316.82		220,258,617.53
Effective Rate of Return	1.12%		1.02%

**CITY OF VISTA
INVESTMENT PORTFOLIO
April 30, 2016**

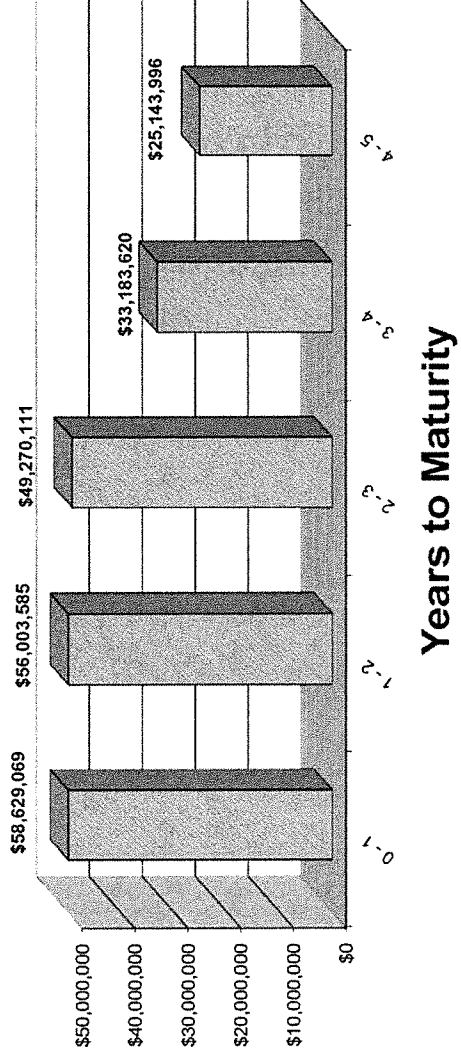
Investments By Type As A Percentage

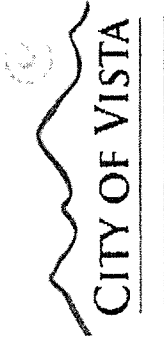


Investments By Type In Dollars



Investments By Years To Maturity





**City of Vista
Portfolio Management
04/01/2016 – 04/30/2016**

Investment #	CUSIP	Issuer	Purchase Date	Next Call Date	Par Value	Book Value	Market Value	Current Rate	Maturity Date	YTM	Days to Maturity
Federal Agency Disc. - Amortizing											
313396H89	313396H89	Federal Home Loan Mort. Corp.	01/11/2016	/ /	2,000,000.00	1,995,440.00	1,996,820.00	0.540	09/30/2016	0.556	152
	Subtotal				2,000,000.00	1,995,440.00	1,996,820.00			0.549	
Federal Agency Issues - Coupon											
3133EA7H5	3133EA7H5	Federal Farm Credit Bank	11/14/2014	/ /	4,000,000.00	3,967,728.26	4,000,040.00	1.240	11/13/2018	1.569	926
3133EC2A1	3133EC2A1	Federal Farm Credit Bank	02/29/2016	/ /	3,000,000.00	3,017,657.54	3,019,500.00	1.500	11/09/2020	1.365	1,653
3133ECPB4	3133ECPB4	Federal Farm Credit Bank	06/26/2015	/ /	3,000,000.00	2,984,704.45	2,997,060.00	0.875	05/14/2018	1.130	743
3133EDKJ0	3133EDKJ0	Federal Farm Credit Bank	05/05/2014	/ /	5,000,000.00	5,000,742.30	5,002,400.00	0.700	11/01/2016	0.670	184
3133EEM49	3133EEM49	Federal Farm Credit Bank	05/28/2015	/ /	4,000,000.00	4,002,802.95	4,057,600.00	1.600	12/20/2019	1.580	1,328
3133EEWG1	3133EEWG1	Federal Farm Credit Bank	04/02/2015	/ /	3,000,000.00	3,005,954.13	3,022,740.00	1.300	04/01/2019	1.230	1,065
3133EEWH9	3133EEWH9	Federal Farm Credit Bank	04/09/2015	/ /	3,000,000.00	3,004,404.88	3,007,890.00	1.000	04/02/2018	0.922	701
3133EEWN6	3133EEWN6	Federal Farm Credit Bank	05/21/2015	/ /	3,000,000.00	3,000,801.02	3,004,620.00	0.700	04/06/2017	0.671	340
3133EEX62	3133EEX62	Federal Farm Credit Bank	06/25/2015	/ /	3,000,000.00	2,999,865.00	3,003,540.00	0.800	06/16/2017	0.804	411
3133EFCP0	3133EFCP0	Federal Farm Credit Bank	09/22/2015	/ /	3,000,000.00	2,994,153.86	3,036,240.00	1.450	09/09/2019	1.510	1,226
3133EFXV4	3133EFXV4	Federal Farm Credit Bank	02/29/2016	/ /	3,000,000.00	3,016,069.11	3,010,800.00	1.450	08/04/2020	1.320	1,556
3130A2E51	3130A2E51	Federal Home Loan Bank	07/07/2014	/ /	5,000,000.00	5,000,000.00	5,019,100.00	1.000	07/07/2017	1.000	432
3130A3UQ5	3130A3UQ5	Federal Home Loan Bank	01/08/2016	/ /	2,000,000.00	2,015,055.16	2,044,560.00	1.875	12/11/2020	1.704	1,685
3130A5BL2	3130A5BL2	Federal Home Loan Bank	05/22/2015	/ /	3,000,000.00	2,993,616.95	3,009,150.00	1.100	10/30/2018	1.187	912
3130A5E54	3130A5E54	Federal Home Loan Bank	05/22/2015	/ /	3,000,000.00	2,997,514.88	3,017,700.00	1.100	08/13/2018	1.137	834
3130A5PL7	3130A5PL7	Federal Home Loan Bank	06/29/2015	/ /	3,000,000.00	3,000,980.72	3,010,350.00	1.020	12/29/2017	1.000	607
3130A7ZE4	3130A7ZE4	Federal Home Loan Bank	01/11/2016	/ /	5,000,000.00	4,999,869.08	5,001,400.00	0.500	06/30/2016	0.516	60
313370TW8	313370TW8	Federal Home Loan Bank	01/25/2013	/ /	5,000,000.00	5,026,029.94	5,028,050.00	2.000	09/09/2016	0.520	131
313370US5	313370US5	Federal Home Loan Bank	02/29/2016	/ /	3,000,000.00	3,194,209.58	3,189,060.00	2.875	09/11/2020	1.340	1,594
313378A43	313378A43	Federal Home Loan Bank	06/01/2015	/ /	4,000,000.00	4,025,057.36	4,038,640.00	1.375	03/09/2018	1.031	677
313378QK0	313378QK0	Federal Home Loan Bank	05/28/2015	/ /	4,000,000.00	4,057,067.97	4,098,640.00	1.875	03/08/2019	1.360	1,041
313379EE5	313379EE5	Federal Home Loan Bank	02/25/2015	/ /	3,000,000.00	3,018,530.59	3,053,850.00	1.625	06/14/2019	1.420	1,139
313383A68	313383A68	Federal Home Loan Bank	06/13/2013	06/13/2016	5,000,000.00	5,000,000.00	4,994,100.00	1.080	06/13/2018	1.080	773
313383HU8	313383HU8	Federal Home Loan Bank	06/16/2015	/ /	3,000,000.00	2,992,477.08	3,048,750.00	1.750	06/12/2020	1.814	1,503
313383HU8-2	313383HU8	Federal Home Loan Bank	01/11/2016	/ /	3,000,000.00	3,017,314.02	3,048,750.00	1.750	06/12/2020	1.604	1,503
3133XSUN6	3133XSUN6	Federal Home Loan Bank	06/26/2015	/ /	3,000,000.00	3,197,689.98	3,222,240.00	3.875	12/14/2018	1.294	957
3137EADG1	3137EADG1	Federal Home Loan Mort. Corp.	06/25/2015	/ /	3,000,000.00	3,021,624.32	3,065,310.00	1.750	05/30/2019	1.508	1,124
3137EADK2	3137EADK2	Federal Home Loan Mort. Corp.	09/22/2015	/ /	3,000,000.00	2,981,982.51	3,016,770.00	1.250	08/01/2019	1.440	1,187
3137EADL0	3137EADL0	Federal Home Loan Mort. Corp.	02/21/2014	/ /	5,000,000.00	4,996,086.29	5,016,900.00	1.000	09/29/2017	1.056	516
3137EADM8	3137EADM8	Federal Home Loan Mort. Corp.	02/25/2015	/ /	3,000,000.00	2,972,847.42	3,014,940.00	1.250	10/02/2019	1.525	1,249

Investment #	CUSIP	Issuer	Purchase Date	Next Call Date	Par Value	Book Value	Market Value	Current Rate	Maturity Date	YTM	Days to Maturity
3137EADR7	3137EADR7	Federal Home Loan Mort. Corp.	05/21/2015	/ /	3,000,000.00	2,970,706.52	3,018,540.00	1.375	05/01/2020	1.630	1,461
3135G0A78	3135G0A78	Federal Nat'l Mortgage Assoc.	02/25/2015	/ /	3,000,000.00	3,003,733.18	3,051,660.00	1.625	01/21/2020	1.590	1,360
3135G0CM3	3135G0CM3	Federal Nat'l Mortgage Assoc.	01/08/2016	/ /	7,804,000.00	7,822,077.04	7,828,426.52	1.250	09/28/2016	0.680	150
3135G0MZ3	3135G0MZ3	Federal Nat'l Mortgage Assoc.	04/01/2014	/ /	5,000,000.00	4,983,464.39	5,007,000.00	0.875	08/28/2017	1.130	484
3135G0PQ0	3135G0PQ0	Federal Nat'l Mortgage Assoc.	01/08/2013	/ /	5,000,000.00	5,000,000.00	5,008,250.00	0.875	10/26/2017	0.874	543
3135G0RQ8	3135G0RQ8	Federal Nat'l Mortgage Assoc.	11/15/2012	05/15/2016	5,000,000.00	5,000,000.00	5,000,150.00	1.000	11/15/2017	1.000	563
3135G0TG8	3135G0TG8	Federal Nat'l Mortgage Assoc.	02/25/2015	/ /	3,000,000.00	2,993,725.88	3,002,250.00	0.875	02/08/2018	0.995	648
3135G0TV5	3135G0TV5	Federal Nat'l Mortgage Assoc.	01/30/2013	04/30/2016	5,000,000.00	5,000,000.00	4,990,850.00	1.030	01/30/2018	1.030	639
3135G0UU5	3135G0UU5	Federal Nat'l Mortgage Assoc.	04/02/2015	/ /	3,000,000.00	3,038,481.76	3,049,260.00	1.750	03/06/2020	1.403	1,405
3135G0XZ1	3135G0XZ1	Federal Nat'l Mortgage Assoc.	06/20/2013	06/20/2016	5,000,000.00	5,000,000.00	5,000,150.00	1.250	06/20/2018	1.250	780
3135G0YM9	3135G0YM9	Federal Nat'l Mortgage Assoc.	03/27/2014	/ /	5,000,000.00	5,026,757.98	5,118,250.00	1.875	09/18/2018	1.640	870
3135G0ZE6	3135G0ZE6	Federal Nat'l Mortgage Assoc.	09/22/2015	/ /	3,000,000.00	3,031,030.75	3,064,950.00	1.750	06/20/2019	1.410	1,145
3135G0ZY2	3135G0ZY2	Federal Nat'l Mortgage Assoc.	05/21/2015	/ /	3,000,000.00	3,018,432.83	3,063,570.00	1.750	11/26/2019	1.570	1,304
3136FTQ93	3136FTQ93	Federal Nat'l Mortgage Assoc.	02/25/2015	/ /	3,000,000.00	3,016,289.42	3,046,620.00	1.500	02/21/2019	1.300	1,026
3136FTZZ5	3136FTZZ5	Federal Nat'l Mortgage Assoc.	06/26/2015	/ /	3,000,000.00	3,027,285.39	3,054,570.00	1.750	01/30/2019	1.409	1,004
3136G0AW1	3136G0AW1	Federal Nat'l Mortgage Assoc.	02/29/2016	/ /	2,300,000.00	2,395,507.32	2,392,138.00	2.350	10/16/2020	1.385	1,629
3136G1BE8	3136G1BE8	Federal Nat'l Mortgage Assoc.	02/04/2015	/ /	2,000,000.00	1,995,501.20	1,999,980.00	1.000	07/25/2018	1.102	815
3136G1DS5	3136G1DS5	Federal Nat'l Mortgage Assoc.	02/27/2013	/ /	5,000,000.00	5,000,000.00	5,015,650.00	1.000	11/27/2017	1.000	575
3136G2J5	3136G2J5	Federal Nat'l Mortgage Assoc.	05/16/2014	05/16/2016	5,000,000.00	5,000,000.00	5,000,150.00	1.200	11/16/2017	1.200	564
3136G2EC7	3136G2EC7	Federal Nat'l Mortgage Assoc.	02/27/2015	02/27/2017	3,000,000.00	3,000,000.00	3,002,730.00	1.300	02/27/2019	1.300	1,032
3136G2XA0	3136G2XA0	Federal Nat'l Mortgage Assoc.	02/29/2016	08/03/2016	2,525,000.00	2,525,000.00	2,521,869.00	1.630	08/03/2020	1.628	1,555
Subtotal					186,629,000.00	187,350,831.01	188,337,703.52			1.183	
Local Agency Investment Fund											
9837958	SYS9837958	Local Agency Investment Fund	/ /	/ /	26,804,451.84	26,804,451.84	26,810,377.23	0.448	/ /	0.320	1
Subtotal					26,804,451.84	26,804,451.84	26,810,377.23			0.320	
Municipal Bonds											
13077CT38	13077CT38	CALIFORNIA ST UNIV	08/05/2015	/ /	500,000.00	500,000.00	508,855.00	1.982	11/01/2019	1.982	1,279
54465AFN7	54465AFN7	LOS ANGELES COUNTY CA REDEV	07/23/2015	/ /	1,600,000.00	1,600,000.00	1,626,608.00	2.644	08/01/2019	2.643	1,187
675383KK8	675383KK8	OCEANSIDE UNIFIED SCHOOL DISTR	06/01/2011	/ /	3,000,000.00	3,000,000.00	3,000,000.00	4.500	05/01/2016	3.500	0
Subtotal					5,100,000.00	5,100,000.00	5,135,463.00			3.082	
Negotiable CD's - Semi-Annual Int											
02006LFP3	02006LFP3	Ally Bank	07/30/2014	/ /	245,000.00	244,926.71	245,070.44	0.650	07/11/2016	0.805	71
06740KGY7	06740KGY7	Barclays Bank	07/30/2014	/ /	245,000.00	244,926.69	245,064.70	0.650	07/05/2016	0.819	65
05580AAP9	05580AAP9	BMW Bank, North America, Utah	08/01/2014	/ /	245,000.00	244,878.13	245,043.32	0.550	06/27/2016	0.872	57
2546712C3	2546712C3	Discover Bank	07/30/2014	/ /	245,000.00	244,926.71	245,070.44	0.650	07/11/2016	0.805	71
Subtotal					980,000.00	979,658.24	980,248.90			0.825	
Total					221,513,451.84	222,230,381.09	223,260,612.65				



City of Vista
Investment Activity Transactions Report
For the Period April 1, 2016 - April 30, 2016

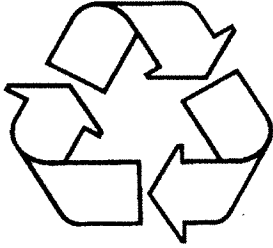
Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
04/01/2016	3133EEWG1	999	Interest	3133EEWG1	3,000,000.00	FFCB 3.0M 1.30% Mat. 04/01/2019	04/01/2019	0.00	19,500.00	0.00	19,500.00
04/04/2016	3133EEWH9	999	Interest	3133EEWH9	3,000,000.00	FFCB 3.0M 1.00% Mat. 04/02/2018	04/02/2018	0.00	15,000.00	0.00	15,000.00
04/04/2016	3137EADM8	999	Interest	3137EADM8	3,000,000.00	FHLMC 3.0M 1.25% Mat. 10/02/2019	10/02/2019	0.00	18,750.00	0.00	18,750.00
04/04/2016	9837958	999	Withdrawal	SYS9837958	49,500,000.00	LAIF 49.5M 0.30%		0.00	0.00	4,000,000.00	4,000,000.00
04/06/2016	3133EEVW6	999	Interest	3133EEVW6	3,000,000.00	FFCB 3.0M 0.70% Mat. 04/06/2017	04/06/2017	0.00	10,500.00	0.00	10,500.00
04/06/2016	9837958	999	Deposit	SYS9837958	49,500,000.00	LAIF 49.5M 0.30%		-4,000,000.00	0.00	0.00	-4,000,000.00
04/08/2016	9837958	999	Deposit	SYS9837958	49,500,000.00	LAIF 49.5M 0.30%		-900,000.00	0.00	0.00	-900,000.00
04/11/2016	9837958	999	Withdrawal	SYS9837958	49,500,000.00	LAIF 49.5M 0.30%		0.00	0.00	500,000.00	500,000.00
04/15/2016	9837958	999	Interest	SYS9837958	49,500,000.00	LAIF 49.5M 0.45%		0.00	49,721.09	0.00	49,721.09
04/15/2016	9837958	999	Interest	SYS9837958	49,500,000.00	LAIF 49.5M 0.45%		-49,721.09	0.00	0.00	-49,721.09
04/18/2016	3136G0AW1	999	Interest	3136G0AW1	2,300,000.00	FNMA 2.3M 2.35% Mat. 10/16/2020	10/16/2020	0.00	27,025.00	0.00	27,025.00
04/22/2016	9837958	999	Withdrawal	SYS9837958	49,500,000.00	LAIF 49.5M 0.30%		0.00	0.00	3,200,000.00	3,200,000.00
04/26/2016	3135G0PC0	999	Interest	3135G0PC0	5,000,000.00	FNMA 5.0M 0.88% Mat. 10/26/2017	10/26/2017	0.00	21,875.00	0.00	21,875.00
04/26/2016	9837958	999	Withdrawal	SYS9837958	49,500,000.00	LAIF 49.5M 0.30%		0.00	0.00	600,000.00	600,000.00
Subtotal								-4,949,721.09	162,371.09	8,300,000.00	3,512,650.00
Total								-4,949,721.09	162,371.09	8,300,000.00	3,512,650.00

**CITY OF VISTA
FUNDS MANAGED BY FISCAL AGENTS
APRIL 30, 2016**

DESCRIPTION	MARKET VALUE
<i>FUNDS MANAGED BY U.S. BANK:</i>	
1993 CFD 92-1 (N. County Square), Series A	\$ 1,763.57
1993 JPFA Revenue Bonds (N. County Square), Series C	1,217,919.37
1997 JPFA Lease Revenue Refunding Bonds (Hacienda & Buena Vista)	142,931.73
2007 City of Vista Certificates of Participation	605.22
2010 CDC Tax Allocation Bonds (Vista Redevelopment Project)	1,141,188.47
2011 CDC Tax Allocation Bonds	1,552,071.01
2015 Subordinate Tax Allocation Refunding Bonds Series A, B-1, B-2	15.96
2015 JPFA Refunding Lease Revenue Bonds	<u>5,358,075.00</u>
TOTAL FUNDS MANAGED BY U.S. BANK	9,414,570.33
 <i>FUNDS MANAGED BY TRISTAR:</i>	
Worker's Compensation Trust Account	88,239.88
 TOTAL FUNDS MANAGED BY FISCAL AGENTS	 <u><u>\$ 9,502,810.21</u></u>

CITY OF VISTA
CASH AND INVESTMENTS BY FUND PER GENERAL LEDGER
(EXCLUDING FUNDS MANAGED BY FISCAL AGENTS)
April 30, 2016

FUND	FUND NAME	CASH & INVESTMENTS
001	GENERAL FUND	\$ 61,209,031.15
002	GENERAL FUND CIP	4,954,419.31
102	PARK DEVELOPMENT	5,764,023.68
103	COMM DEVELOPMENT BLOCK GRANT	(232,432.16)
106	GAS TAX	3,177,363.86
107	SENIOR CITIZEN NUTRITION PROGRAM	(234,103.01)
108	1972 LIGHTING & LANDSCAPE MAINTENANCE	30,955.91
109	PLANNED LOCAL DRAINAGE	813,429.68
110	DEVELOPMENT	5,278,549.75
111	PROPOSITION "A" SALES TAX	(2,776,129.76)
113	SOUTH MELROSE LANDSCAPE AD	64,082.58
114	LA MIRADA CANYON MAINT DIST	54,427.44
117	GRANTS	(4,042,950.72)
120	JPFA 1993 "C" NORTH CO. SQUARE	(50,413.21)
122	VISTA HOUSING AUTHORITY	2,291,310.81
123	HOUSING AUTH BOND FUNDS	3,820,023.44
124	HOME PROGRAM	689,800.66
125	STATE COPS GRANT	150,819.74
126	CALHOME PROGRAM	214,120.18
301	VISTA REDEVELOPMENT AGENCY	132,116.28
302	REDEVELOPMENT REVOLVING FUND	(19,493.82)
303	RDA HOUSING BONDS	1,042.38
305	PASEO SANTA FE FACILITIES PROJ	15,796,518.49
310	REDEVELOPMENT SCHOOL SAFETY	3,329.62
407	REDEVELOPMENT DEBT SERVICE	(2,081,436.85)
408	REDEV OBLIGATION RETIREMENT	4,318,965.78
413	JPFA 1993 "C" NORTH CO. SQUARE	785,461.17
418	JPFA 1997 SERIES "A" HACIENDA	59,482.68
423	JFPA 2015 LEASE REV BONDS	(5,345,967.55)
501	CITY SEWER REVENUE	17,356,351.96
502	CITY CAPITAL EXPANSION	3,819,491.86
503	CITY CAPITAL REPAIRS AND REPLACEMENT	36,671,601.75
504	BUENA SEWER REVENUE	6,351,548.11
505	BUENA CAPITAL EXPANSION	1,593,336.68
506	BUENA CAPITAL REPAIRS AND REPLACEMENT	40,955,709.95
507	WAVE WATERPARK	691,487.46
509	CITY SEWER CAPITAL FACILITY	81,753.10
510	BUENA SEWER CAPITAL FACILITY	93,270.50
601	RISK MANAGEMENT	7,918,178.32
602	BUILDING AND FACILITIES MAINT	(240,519.43)
603	VEHICLE MAINTENANCE	2,330,314.00
604	INFORMATION TECHNOLOGY	2,758,055.73
701	TRUST DEPOSITS	1,745,815.74
704	CFD 1993 "A" NORTH CO. SQUARE	(145,148.94)
708	DEFERRED STREET CONSTRUCTION	3,977,429.96
709	RSWA AGENCY FUND	420,724.83
	TOTAL	<u>\$ 221,205,749.09</u>



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 of FY 2015/2016 Budget and Expenditure Status –
Item 6.B.
Date: RSWA Agenda July 7, 2016

BACKGROUND

Attached for your information are the following reports:

The Financial Status Report as of June 29, 2016 (Fourth Quarter FY 2015/2016) which shows a Fund Balance for the Fourth Quarter in the amount of \$432,312.

The RSWA Cash Activity Report as of June 29, 2016.

CITY OF VISTA MEMORANDUM

TO: James H. Eggart, RSWA General Manager/General Counsel
FROM: Richard Hertz, Finance Manager/Deputy Treasurer *RZ*
DATE: July 7, 2016
SUBJECT: RSWA Budget Status

Attached are the Financial Status Report and Cash Activity Report for the Regional Solid Waste Association (RSWA) for the fourth quarter of fiscal year (FY) 2015/2016. The reports present activity from March 29, 2016 through June 29, 2016.

REVENUES

Year-to-date (YTD) activity includes actual revenue of \$270,385, which represents 97 percent of the FY 2015/2016 budgeted revenue. Interest earnings have been posted through April 2016. The actual revenues are consistent with what would be expected at this time.

EXPENDITURES

The YTD activity includes actual expenditures through June 29, 2016, totaling \$269,480, which represents 92 percent of the FY 2015/2016 budgeted amount. The actual expenditures are consistent with what would be expected at this time.

There still may be some minor revenues and expenditures received and incurred that will relate to FY 2015/16 and therefore will be recorded (accrued) in June.

FUND BALANCE

The total fund balance as of June 29, 2016, is \$432,312, which includes a balance of \$102,000 set aside and reserved for two household hazardous waste facility closures in the future.

**REGIONAL SOLID WASTE ASSOCIATION
FY 2015-2016 FINANCIAL STATUS REPORT
AS OF JUNE 29, 2016**

	<u>BUDGET</u>	<u>YTD ACTUAL</u>
BEGINNING BALANCE (6-30-2015 Fund Balance)	\$ 431,407	\$ 431,407
 REVENUE		
DISPOSAL AGREEMENT VOLUME REBATE	242,604	242,604
HHW NON-MEMBER	32,000	24,338
INVESTMENT EARNINGS	3,300	3,443
TOTAL REVENUE	<u>277,904</u>	<u>270,385</u>
 EXPENSES		
STIPENDS	8,000	4,200
INSURANCE	6,500	5,700
TRAVEL AND MEETINGS	10,000	4,674
AUDIT SERVICES	2,920	2,705
LEGAL SERVICES	18,000	18,000
CONSULTANT SERVICES	33,000	30,000
REIMBURSEMENTS	3,500	435
HHW EDUCATION	7,000	7,000
HHW PERMITS	1,800	1,484
HHW FACILITY SECURITY & PHONE	3,000	2,553
WEBSITE MAINTENANCE	1,500	1,300
RSWA PHONE, FLYERS	5,000	-
INTERGOVERNMENTAL PROGRAMS	191,429	191,429
TOTAL EXPENSES	<u>291,649</u>	<u>269,480</u>
 TOTAL ENDING FUND BALANCE	 <u><u>\$ 417,662</u></u>	 <u><u>\$ 432,312</u></u>
 CASH		 \$ 430,162
PREPAID EXPENSE		<u>2,150</u>
TOTAL ENDING FUND BALANCE		<u><u>\$ 432,312</u></u>
 FUND BALANCE, UNRESERVED/UNDESIGNATED		 \$ 330,312
VISTA HHW FACILITY CLOSURE DESIGNATION		51,000
POWAY HHW FACILITY CLOSURE DESIGNATION		<u>51,000</u>
TOTAL ENDING FUND BALANCE		<u><u>\$ 432,312</u></u>

RSWA CASH ACTIVITY
JULY 1, 2015 - JUNE 29, 2016

Date	Ck.#	Name	Description	Deposit	Disbursement	Cash Balance
7/1/15			Balance carried forward from 6/30/15			\$ 429,755.03
7/9/15	90731	CAMPBELL, CODY	RSWA BOARD MEMBER STIPEND		\$ 150.00	429,605.03
7/9/15	90734	CITY OF DEL MAR	RSWA HHW EDUC APPROP-FY15/16		1,000.00	428,605.03
7/9/15	90735	CITY OF ENCINITAS	RSWA HHW EDUC APPROP-FY15/16		1,000.00	427,605.03
7/9/15	90736	CITY OF ESCONDIDO	RSWA HHW EDUC APPROP-FY15/16		1,000.00	426,605.03
7/9/15	90737	CITY OF NATIONAL CITY	RSWA HHW EDUC APPROP-FY15/16		1,000.00	425,605.03
7/9/15	90738	CITY OF POWAY	RSWA HHW EDUC APPROP-FY15/16		1,000.00	424,605.03
7/9/15	90739	CITY OF SOLANA BEACH	RSWA HHW EDUC APPROP-FY15/16		1,000.00	423,605.03
7/9/15	90740	CITY OF VISTA	RSWA HHW EDUC APPROP-FY15/16		1,000.00	422,605.03
7/9/15	90741	COUNTY OF SAN DIEGO - DEPARTMENT OF	HHW PERMIT VISTA		1,484.00	421,121.03
7/9/15	90746	GALLO, ED	RSWA BOARD MEMBER STIPEND		150.00	420,971.03
7/9/15	90749	GROSCH, DAVE	RSWA BOARD MEMBER STIPEND		150.00	420,821.03
7/9/15	90763	MORRISON, RON	RSWA BOARD MEMBER STIPEND		150.00	420,671.03
7/9/15	90766	NICHOLS, MICHAEL EDWIN	RSWA BOARD MEMBER STIPEND		150.00	420,521.03
7/9/15	90774	SINNOTT, TERRY	RSWA BOARD MEMBER STIPEND		150.00	420,371.03
7/15/15		EDCO	CONTRACT VOLUME REBATE	\$ 60,651.07		481,022.10
7/24/15	90806	CAMPBELL, CODY	RSWA REIMB WASTE EXPO 2015		937.98	480,084.12
7/24/15	90895	MUIR, MARK ANDERSON	RSWA-REIMB WASTE EXPO 2015		1,205.59	478,878.53
7/24/15	90991	WOODRUFF, SPRADLIN & SMART	RSWA 1-YR PREPAY-AT&T TO 6/30		540.00	478,338.53
7/24/15	90994	WURBS, LIN H.	RSWA-TRANSITION ASSIST (MAY-JUNE)		262.50	478,076.03
7/24/15	91121	WOODRUFF, SPRADLIN & SMART	RSWA LEGAL SERVICES \$4500 (JUL-SEP)/ CONSULTANT SVCS \$2500 (JUL)		7,000.00	471,076.03
7/31/15		INVESTMENT EARNINGS	JULY INTEREST ALLOCATION	475.00		471,551.03
8/20/15	91650	PROGRESSIVE TECHNOLOGY SECURITY SYSTEMS INC	RSWA-WORKORDER#21257		105.00	471,446.03
8/20/15	91733	WOODRUFF, SPRADLIN & SMART	CONSULTANT SVCS (AUG)		2,500.00	468,946.03
8/31/15		INVESTMENT EARNINGS	AUGUST INTEREST ALLOCATION	410.00		469,356.03
9/3/15	91960	WOODRUFF, SPRADLIN & SMART	CONSULTANT SVCS (SEPT)		2,500.00	466,856.03
9/17/15	92009	CITY OF DEL MAR	ENVIRO ENHANCE FUND DIST 15/16		3,900.00	462,956.03
9/17/15	92011	CITY OF ENCINITAS	ENVIRO ENHANCE FUND DIST 15-16		36,300.00	426,656.03
9/17/15	92013	CITY OF NATIONAL CITY	ENVIRO ENHANCE FUND DIST 15/16		22,650.00	404,006.03
9/17/15	92015	CITY OF POWAY	ENVIRO ENHANCE FUND DIST 15/16		29,400.00	374,606.03
9/17/15	92016	CITY OF SOLANA BEACH	ENVIRO ENHANCE FUND DIST 15/16		8,400.00	366,206.03
9/17/15	92017	CITY OF VISTA	ENVIRO ENHANCE FUND DIST 15/16		49,350.00	316,856.03
9/31/15		INVESTMENT EARNINGS	SEPTEMBER INTEREST ALLOCATION	229.00		317,085.03
10/1/15	92229	ALLIANT INSURANCE SERVICES INC	RSWA-SPECIAL LIAB INSUR 15/16		3,549.47	313,535.56
10/15/15	92452	CAMPBELL, CODY	RSWA BOARD MEMBER STIPEND		150.00	313,385.56
10/15/15	92501	GROSCH, DAVE	RSWA BOARD MEMBER STIPEND		150.00	313,235.56
10/15/15	92539	MORASCO, MICHAEL K.	RSWA BOARD MEMBER STIPEND		150.00	313,085.56
10/15/15	92540	MORRISON, RON	RSWA BOARD MEMBER STIPEND		150.00	312,935.56
10/15/15	92542	MUIR, MARK ANDERSON	RSWA BOARD MEMBER STIPEND		150.00	312,785.56
10/15/15	92546	NICHOLS, MICHAEL EDWIN	RSWA BOARD MEMBER STIPEND		150.00	312,635.56
10/15/15	92638	WOODRUFF, SPRADLIN & SMART	REIMB-BOARD MTG EXP 10/1		120.06	312,515.50
10/19/15		EDCO	CONTRACT VOLUME REBATE	60,651.07		373,166.57
10/31/15		INVESTMENT EARNINGS	OCTOBER INTEREST ALLOCATION	303.00		373,469.57
11/30/15		INVESTMENT EARNINGS	NOVEMBER INTEREST ALLOCATION	205.00		373,674.57
12/17/15		STERICYCLE	HHW NON-MEMBER JULY-SEPT 2015	9,881.80		383,556.37
12/21/15	93601	WOODRUFF, SPRADLIN & SMART	RSWA LEGAL SERVICES \$4,500 (OCT-DEC)/ CONSULTANT SVCS \$7,500 (OCT-DEC)		12,000.00	371,556.37
12/31/15		INVESTMENT EARNINGS	DECEMBER INTEREST ALLOCATION	206.00		371,762.37
1/21/16	94024	CAMPBELL, CODY	RSWA BOARD MTNG STIPEND-1/7/16		150.00	371,612.37
1/21/16	94073	GROSCH, DAVE	RSWA BOARD MTNG STIPEND-1/7/16		150.00	371,462.37
1/21/16	94112	MORASCO, MICHAEL K.	RSWA BOARD MTNG STIPEND-1/7/16		150.00	371,312.37
1/21/16	94113	MORRISON, RON	RSWA BOARD MTNG STIPEND-1/7/16		150.00	371,162.37
1/21/16	94114	MUIR, MARK ANDERSON	RSWA BOARD MTNG STIPEND-1/7/16		150.00	371,012.37
1/21/16	94117	NICHOLS, MICHAEL EDWIN	RSWA BOARD MTNG STIPEND-1/7/16		150.00	370,862.37
1/21/16	94177	SINNOTT, TERRY	RSWA BOARD MTNG STIPEND-1/7/16		150.00	370,712.37
1/21/16	94232	WOODRUFF, SPRADLIN & SMART	RSWA GEN CNSL \$4,500 (JAN -MAR)/ CONSULTANTS SVCS \$2,500 (JAN)/ REGISTRATION FEE-CAMPBELL \$450/ BOD MEETING EXP \$ 132.42 (10/1/15)		7,582.42	363,129.95
1/22/16		EDCO	CONTRACT VOLUME REBATE	60,651.07		423,781.02
1/31/16		INVESTMENT EARNINGS	JANUARY INTEREST ALLOCATION	339.00		424,120.02
2/18/16	94472	CAMPBELL, CODY	GLOBAL WASTE SYMP(FEB16)		675.41	423,444.61
2/29/16		INVESTMENT EARNINGS	FEBRUARY INTEREST ALLOCATION	357.00		423,801.61
3/3/16	94941	WOODRUFF, SPRADLIN & SMART	GEN MNGR-FEB 2016		2,500.00	421,301.61
3/17/16	95117	PRIETO, ANTHONY	RSWA WEB HOSTING(9/16-8/18)		1,299.96	420,001.65
3/17/16	95207	WOODRUFF, SPRADLIN & SMART	GEN MNGR-MAR 2016		2,500.00	417,501.65
3/31/16		INVESTMENT EARNINGS	MARCH INTEREST ALLOCATION	538.00		418,039.65
4/14/16	95488	CAMPBELL, CODY	RSWA BOARD MTNG STIPEND-1/7/16		150.00	417,889.65
4/14/16	95538	GROSCH, DAVE	RSWA BOARD MTNG STIPEND-1/7/16		150.00	417,739.65
4/14/16	95583	MORASCO, MICHAEL K.	RSWA BOARD MTNG STIPEND-1/7/16		150.00	417,589.65
4/14/16	95584	MORRISON, RON	RSWA BOARD MTNG STIPEND-1/7/16		150.00	417,439.65
4/14/16	95589	NICHOLS, MICHAEL EDWIN	RSWA BOARD MTNG STIPEND-1/7/16		150.00	417,289.65
4/14/16	95642	SINNOTT, TERRY	RSWA BOARD MTNG STIPEND-1/7/16		150.00	417,139.65
4/14/16	95686	WOODRUFF, SPRADLIN & SMART	RSWA GEN CNSL \$4,500 (APR-JUN)/ CONSULTANTS SVCS \$2,500 (APR)/ REGISTRATION FEE WASTE EXPO \$1,075 BOD MEETING EXP \$91.12 (1/5/16)		8,166.12	408,973.53
4/19/16		STERICYCLE	HHW NON-MEMBER OCT-DEC 2015	\$ 6,630.50		415,604.03
4/19/16		STERICYCLE	HHW NON-MEMBER JAN-MAR 2016	\$ 7,825.80		423,429.83
4/29/16	95903	LANCE, SOLL & LUNGHARD, LLP	2015 RSWA AUDIT (FINAL)		2,705.00	420,724.83
4/30/16		INVESTMENT EARNINGS	APRIL INTEREST ALLOCATION	\$ 381.00		421,105.83
5/4/16		EDCO	CONTRACT VOLUME REBATE	\$ 60,651.07		481,756.90
5/9/16	95913	ALLIANT INSURANCE SERVICES INC	16-17 ACIP CRIME RENEWAL		2,150.00	479,606.90
5/9/16	95914	CITY OF NATIONAL CITY	EQUITY ADJUSTMENT - FY 15/16		18,045.00	461,561.90

RSWA CASH ACTIVITY
JULY 1, 2015 - JUNE 29, 2016

<u>Date</u>	<u>Ck.#</u>	<u>Name</u>	<u>Description</u>	<u>Deposit</u>	<u>Disbursement</u>	<u>Cash Balance</u>
5/9/16	95915	CITY OF POWAY	EQUITY ADJUSTMENT - FY15/16		23,384.00	438,177.90
5/9/16	95916	WOODRUFF, SPRADLIN & SMART	GEN MNGR - MAY 2016		3,796.12	434,381.78
5/26/16	96360	MORRISON, RON	PYMT BUDGET SUBCOMMITTEE MEETING		150.00	434,231.78
5/26/16	96366	NICHOLS, MICHAEL EDWIN	PYMT BUDGET SUBCOMMITTEE MEETING		150.00	434,081.78
5/26/16	96435	SINNOTT, TERRY	PYMT BUDGET SUBCOMMITTEE MEETING		150.00	433,931.78
6/9/16	96808	WOODRUFF, SPRADLIN & SMART	RSWA CONSULTING SERVICES		2,500.00	431,431.78
6/23/16	96853	CAMPBELL, CODY	WASTE EXPO REIMBURS. C. CAMPBELL		1,269.36	430,162.42
						<u>\$ 430,162.42</u>

DRAFT BUDGET
 REGIONAL SOLID WASTE ASSOCIATION
 FY 2015/16 Adopted Budget & FY 2015/16 with Expected Expenditures/Revenues
 FY 2016/17 & FY 2017/18 – Draft Budgets

	Current Budget	Expenditures & Revenues as of 6/29/16		
	<u>2015/16</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
Fund Balance/Unreserved/Undesignated (Est. Beg. FY)	\$331,407	\$331,407	\$353,745	\$335,589
Closure Reserves (from FY 2015/16)				
Vista HHW Facility Closure Designation	50,000	50,000	51,000	56,000
Poway HHW Facility Closure Designation	50,000	50,000	51,000	56,000
BEGINNING TOTAL BALANCE (est.)	\$441,407	\$441,407	\$455,745	\$447,589

REVENUE

Estimated Revenue

Disposal Agreement Volume Rebate	\$242,604	\$242,604	\$247,884	\$251,602 ¹
HHW Non-Member	32,000	\$ 24,338*	32,000	32,000
Interest Earnings (estimated)	3,300	\$ 3,443*	3,300	3,300
REVENUE TOTAL:	\$277,904	\$269,840	\$283,184	\$286,902

***Anticipated additional revenue through 6/30/16:**

\$24,674 (HHW Non-Member)

\$ 600 (Interest)

\$25,274

\$295,569 (Estimated for 6/30/16)

¹Estimate. Assumes CPI increase of 1.5% or less and 0% tonnage increase

DRAFT BUDGET
 REGIONAL SOLID WASTE ASSOCIATION
 FY 2015/16 Adopted Budget & FY 2015/16 with Expected Expenditures/Revenues
 FY 2016/17 & FY 2017/18 – Draft Budgets

		Current Budget	Expenditures & Revenues as of 6/29/16		
		<u>2016/17</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
<u>EXPENSES</u>					
1.	Administrative Costs				
	A. Directors' Stipends	\$ 8,000	\$ 4,200	\$ 8,000	\$ 8,000
	B. RSWA Insurance Premiums	6,500	5,700	6,500	6,500
	C. Training/Travel	10,000	4,674*	10,000	10,000
	D. Audit	2,920	2,705	3,000	3,000
2.	Legal Counsel	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000
3.	Administrative: Consultant	\$ 33,000	\$ 30,000	\$ 33,000	\$ 33,000
	Reimbursables (e.g. mileage, supplies)	3,500	435*	3,500	3,500
4.	Special Events, Special Programs				
	A. HHW Education	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
	B. HHW Permits	1,800	1,484	1,800	1,800
	C. HHW Facility Security & Facility Phone	3,000	2,553	3,000	3,000
	D. Website Maintenance	1,500	1,300	500	1,500
	E. Special Programs (RSWA Phone, Flyers, etc.)	5,000	540	5,000	5,000
5.	Intergovernmental Programs				
	A. Equity Adjustment Payment ¹	\$ 41,429	\$ 41,429	\$ 42,040	\$ 42,040
	(To Poway and National City based on tonnage (\$0.50 per ton x prior year's tonnage)				
	B. Environmental Enhancement Program ²	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$150,000</u>
EXPENDITURE TOTAL		\$291,649	\$270,020	\$291,340	\$292,340

*Anticipated additional expenditures through 6/30/16

\$ 26 (Reimbursables)

\$ 1,275 (Training/Travel)

\$ 1,301

\$271,321 (Estimated for 6/30/16)

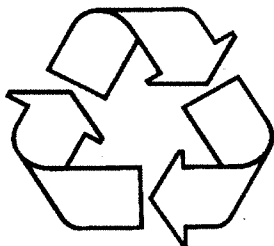
DRAFT BUDGET
 REGIONAL SOLID WASTE ASSOCIATION
 FY 2015/16 Adopted Budget & FY 2015/16 with Expected Expenditures/Revenues
 FY 2016/17 & FY 2017/18 – Draft Budgets

	Current Budget	End of FY Estimate		
	<u>2016/17</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
Withdraw from or add to Reserves to balance	- 13,745	+ 24,338	- 8,156	- 5,438
Minus (-) reduces the reserves, (+) increases reserves)				
Account held at City of Vista (estimated)	\$431,407	\$431,407	\$455,745	\$447,589
Withdrawal or addition (estimated)	<u>- 13,745</u>	<u>+ 24,338</u>	<u>- 8,156</u>	<u>- 5,438</u>
TOTAL:	\$417,662	\$455,745	\$447,589	\$442,151
Closure Reserve Fund ³				
Vista HHW facilities closure reserve	\$ 51,000	\$ 51,000	\$ 56,000	\$ 61,000
Poway HHW facilities closure reserve	<u>\$ 51,000</u>	<u>\$ 51,000</u>	<u>\$ 56,000</u>	<u>\$ 61,000</u>
Closure Reserves	\$102,000	\$102,000	\$112,000	\$122,000
Fund Balance / Remaining Reserves (Est. End FY)	\$315,662	\$353,745	\$335,589	\$320,151

¹ When the disposal contract between RSWA and EDCO was signed in 1996 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.

¹ The Environment Enhancement Program allows each 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.

¹ RSWA 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.



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: RSWA Investment Policy
Date: RSWA Agenda July 7, 2016

HISTORY/BACKGROUND

The RSWA invests its funds in accordance with the parameters set forth in State Law. On January 7, 2010, the Regional Solid Waste Association (RSWA) approved a new Investment Policy and investment approach to work through the City of Vista to invest the RSWA's funds – delegating authority to the City of Vista Treasurer to do so. The Investment Policy adopted in January of 2010 mirrored the Investment Policy of the City of Vista. Periodically since, the City of Vista has made changes to its Investment Policy, and for consistency the RSWA has amended its Investment Policy accordingly. The RSWA last amended its Investment Policy in October 2014.

DISCUSSION

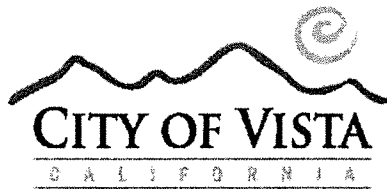
In May 2016, the City of Vista adopted an updated Investment Policy. Updates to RSWA's Statement of Investment Policy are necessary in order that it will remain consistent with the City of Vista's current Investment Policy. The proposed changes to the RSWA's Investment Policy are detailed more fully in the attached Memorandum from the City of Vista Deputy Treasurer, and a "redline" showing the changes is attached for the Board's reference.

RECOMMENDATION

It is recommended that the Board adopt Resolution No. 2016-01 approving the Statement of Investment Policy dated July 7, 2016.

ATTACHMENTS

1. City of Vista Memorandum
2. "Redline" between October 2, 2014 and July 7, 2016 Investment Policy
3. Resolution No. 2016-01 (including updated Statement of Investment Policy dated July 7, 2016)



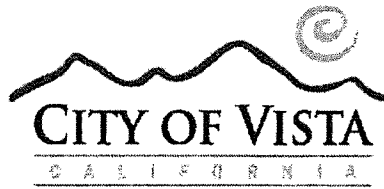
To: James H. Eggart, RSWA General Manager/General Counsel
From: Richard Hertz, Finance Manager/Deputy Treasurer *RZH*
Date: June 29, 2016
Subject: Revisions to Regional Solid Waste Association's Investment Policy

BACKGROUND

In 2010, RSWA's cash invested in the Local Agency Investment Fund (LAIF) was transferred to the City of Vista and was assumed as part of the City of Vista's investment portfolio. The cash activities of RSWA are accounted for within a separate fund (Fund 709) within the City of Vista's general ledger structure. Investment earnings are allocated to RSWA on a monthly basis, based upon RSWA's cash balance as a percentage of the overall City portfolio balance. RSWA's cash balance is available on an "on demand" basis with immediate liquidity.

The City Treasurer's investment management and decision making is guided by the City's Investment Policy. For ease of administration, record keeping, and compliance with Federal, State, and Local laws governing the investment of the Association's fund, the Association should adopt an investment policy that conforms with the City of Vista's investment policy.

The Director of Finance/City Treasurer has reviewed the City of Vista Council Policy 700-07. Based on that review and in consultation with various professional investment advisors, a number of changes have been incorporated into the Council Policy that address particular categories of investments permitted under the Policy in accordance with California Government Code Section 53601 and other housekeeping items, such as simplifying language and updating language in accordance with the California Government Code. The City Council adopted the revised Policy on May 24, 2016. All of the proposed revisions to the Regional Solid Waste Association Investment Policy are consistent with changes made to the City of Vista's Policy.



Revisions to Statement of Investment Policy

Purpose

The Introduction Section of the Policy has been changed to simplify the language to focus on the overall purpose of the Policy and to avoid duplication with other sections. Additionally, language has been added to clarify the purpose of the Policy in relation to the investment of bond proceeds.

Responsibilities and Delegation of Authority

Consistent with the City of Vista's Policy, a new section entitled "Responsibility and Delegation of Authority" has been added. This section formally recognizes the delegation of investment authority to the City of Vista Treasurer, under the oversight of the RSWA General Manager and RSWA Treasurer. The language in this section allows the City Treasurer to follow the system of internal controls over investments that have been established at the City of Vista while clarifying the City's reporting responsibilities.

Consistent with the City of Vista's new policy, language has also been added to allow flexibility in the future if it is determined beneficial to utilize an investment adviser/manager for the Association's investment portfolio. The City of Vista's Investment Policy was also changed to strengthen internal controls to require that two individuals are required to make any investment decisions and to clarify the responsibility for all investment transactions, including monitoring and reviewing in accordance with consistency with the Policy.

Scope

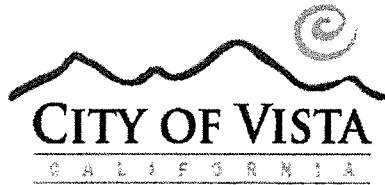
The Scope Section of the Policy has been revised to update the Code reference for bond proceeds and to add language regarding the investment of bond proceeds.

Objections

The Objectives Section of the Policy has been revised to simplify the language to focus on the base principals, eliminate procedural related items, and avoid duplication with other sections.

Maturities

The Maturities Section of the Policy has been revised to consolidate the Policy's overall maturity limits into this section.



Reporting

The Reporting Section of the Policy has been revised to clarify reporting requirements of the City Treasurer to the General Manager and Treasurer, which are consistent with the reporting requirements of the City Treasurer to the Vista City Council.

Internal Control

The Internal Control Section of the Policy has been changed such that the auditors are required to verify compliance with the Policy. The auditors are not qualified, nor is it appropriate, to make recommendations for improving performance.

Qualified Dealers

The Qualified Dealers Section of the Policy has been changed to simplify this section to focus on basic requirements for protecting the Association's assets and to avoid excessive or contradictory requirements. For example, the prior Policy stated that the Association should conduct business with primary dealers, but then allows the City Treasurer to make exception to this requirement at his or her discretion.

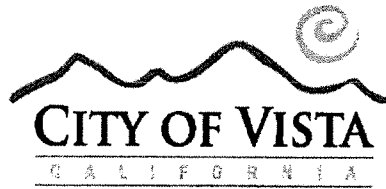
Prudence

A deletion in the Prudence Section of the Policy has been made as premium securities does not relate to prudence. Furthermore, the existence of a premium has no impact on the appropriateness of a particular investment.

Authorized Investments

The Authorized Investments Section of the Policy has been updated to reflect changes to the City of Vista's Policy to allow the full flexibility for investments provided by the California Government Code. Pertinent changes include:

- The addition of language to the introductory paragraph concerning the application of holding limits.
- Simplification of the language used for different investment types to better align them with the Government Code.
- The deletion of obsolete references. For example, there are no longer TLGP debt securities outstanding and Sallie Mae is no longer a federal agency.
- Including a new defined term, "NRSRO," to refer to the rating agencies in general and in accordance with the language in the Government Code.
- The addition of U.S. Instrumentalities to the Policy's list of authorized investments, as they are a relatively new addition to the Government Code on January 1, 2015 and the permitted issuers are all rated "AAA." As such, they would provide the City/RSWA with another high quality investment option. There are other investment types permitted by the Government Code, such as agency mortgage-backed securities and repurchase agreements, which are currently prohibited by the Policy.



The changes would allow more flexibility and diversification if it was determined prudent based on resources and expertise available to evaluate the different options and risk-return preferences.

- The current Policy aggregates certain investment types, such as negotiable and non-negotiable securities, and money market funds and pools, into grouped sections. As the requirements for the individual investments varies, the updated Policy will separate each of these investment types into their own sections.
- The current Policy lists CDARS as a specific investment type. However, as CDARS is a product name of a specific firm, the Policy has been revised to refer to "placement service deposits," which is the generic term. Updates to reflect other changes to the Government Code investment provisions made over the past several years have also been included.
- Local Government Investment Pools under California Government Code Section 6509.7 has been added to provide an additional short term investment option, similar to LAIF.
- Unnecessary language has been deleted from the Portfolio Adjustments Section for simplification.

REGIONAL SOLID WASTE ASSOCIATION STATEMENT OF INVESTMENT POLICY

~~October 2, 2014~~ July 7, 2016

INTRODUCTION

~~This statement~~ The purpose of this Statement of Investment Policy ("Policy") is intended to outline the policies for maximizing the efficiency of the Regional Solid Waste Association's ("RSWA") Cash Management System and to provide guidelines for the prudent investment of the Regional Solid Waste Association's RSWA's Funds in conformance with all federal, state, and local laws governing the investment of RSWA monies, prudent money management and the "Code of Ethics on Professional Conduct" of the California Municipal Treasurer's Association, and to provide for guidelines for suitable investments. The investment of bond proceeds will be further governed by the provisions of relevant bond documents.

The ultimate goal is to enhance the economic status of the Regional Solid Waste Association (RSWA) while protecting its funds.

The Regional Solid Waste Association's Cash Management System is designed to accurately monitor and forecast expenditures and revenues, thus striving to maintain the level of investment of all idle funds as near 100% as possible, through daily and projected cash flow determinations. The Regional Solid Waste Association shall attempt to obtain the highest yield, provided that all investments meet the criteria established for safety and liquidity.

~~The investment policies and practices~~ Except as otherwise provided in this Policy, idle cash management and investment transactions of RSWA's Funds in a manner consistent with this Policy are the responsibility of the RSWA General Manager and RSWA Treasurer. These Regional Solid Waste Association policies and practices are based upon federal, state, and local law and prudent money management. The primary goals of these policies are:

- ~~1. To assure compliance with all federal, state and local laws governing the investment of monies under the control of the General Manager and Treasurer.~~
- ~~2. To protect the principal monies entrusted to these offices.~~
- ~~3. To ensure that money is always available when needed.~~
- ~~4. To generate the maximum amount of investment income within the parameters of this Statement of Investment Policy and the guidelines for suitable investments.~~

RESPONSIBILITY AND DELEGATION OF AUTHORITY

Pursuant to Section 53601 of the California Government Code, the Regional Solid Waste Association Board of Directors has primary responsibility for investment of surplus monies, or monies held in sinking funds, in RSWA's treasury. As authorized under Section 53607 of the Government Code, the Board of Directors hereby delegates its authority to invest or reinvest the funds of the Regional Solid Waste Association, and to sell or exchange securities so purchased, to the City of Vista Director of Finance/Treasurer, who shall assume full responsibility for all such transactions. This delegation of authority shall be in effect for one fiscal year and subject to annual renewal by the Board of Directors, or

until such time as this delegation of authority may be revoked by the Board of Directors. Consistent with the investment policies and procedures of the City of Vista, the City of Vista Treasurer may delegate investment management and decision authority, via written agreement, to one or more professional investment advisors/managers who are duly qualified and registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. All agents engaged in this capacity shall make all investment decisions and transactions in strict accordance with state law and this investment policy.

The RSWA General Manager and RSWA Treasurer shall oversee the investment activities of the City of Vista Treasurer and to require the faithful performance of all administrative duties delegated under this Policy.

SCOPE

The Regional Solid Waste Association is authorized to invest its funds in accordance with the California Government Code Sections 53600 *et. seq.* 53601 and 53602. This investment policyPolicy applies to all financial assets and investment activities of the Regional Solid Waste Association. California Government Code Section 53601(m) permits money from bond proceeds, obligations under a lease, installment sales, or other agreements to be invested in any security that meets the statutory provisions governing the issuance of the bond or other agreements made by the issuing agency. If the bond documents are silent as to the permitted investments, bond proceeds will be invested in the securities permitted by the Policy. Notwithstanding the other provisions of this Policy, the percentage or dollar portfolio limitations listed elsewhere in the Policy do not apply to bond proceeds. (debt issues are invested by trustees appointed under the indenture, pursuant to the terms of the indenture, with direction from the RSWA General Manager and RSWA Treasurer.)

All monies entrusted to the City of Vista Treasurer will be pooled in an actively managed portfolio. The Investment Pool or "Portfolio" will be referred to as the "Fund" throughout the remainder of this document.

The Regional Solid Waste Association's Fund will be invested by the City of Vista, under the authority and management of the City of Vista Treasurer, in accordance with this Policy and those investment policies and procedures adopted by the City of Vista with respect to the investment of the City of Vista's funds. In the event of a conflict between the provisions of this Policy and the applicable policies and procedures adopted by the City of Vista, the provisions of this Policy shall prevail.

The City of Vista Treasurer will observe, review and react to changing conditions that affect the Fundfund.

The City of Vista Treasurer will keep the RSWA General Manager and RSWA Board apprised of the changing investment environment and any potential restructuring of the portfolio which could result.

OBJECTIVES

The primary objectives, in priority order, of the Regional Solid Waste Association's investment activities shall be:

A. Safety of Principal

Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. It is explicitly recognized herein, however, that in a diversified portfolio,

~~occasional measured losses are inevitable and must be considered within the context of overall investment return. Safety of principal is the foremost objective of the Regional Solid Waste Association. Each investment transaction shall seek to ensure that all capital losses are avoided, whether from securities default, broker-dealer default, or erosion of market value. The Regional Solid Waste Association shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.~~

~~1. Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in only very safe securities (see authorized investments) and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the Regional Solid Waste Association's cash flow.~~

~~2. Market risk, defined as the risk of market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by structuring the portfolio so that securities mature at the same time that major cash outflows occur, thus eliminating the need to sell securities prior to their maturity; and by prohibiting the taking of short positions, that is, selling securities that the Regional Solid Waste Association does not own. It is explicitly recognized herein, however, that in a diversified portfolio, occasional measured losses are inevitable and must be considered within the context of overall investment return.~~

B. Liquidity

The Regional Solid Waste Association's investment portfolio will remain sufficiently liquid to enable the Regional Solid Waste Association to meet all operating requirements which might be reasonably anticipated. Investments will be authorized only in "readily marketable" securities; i.e. those securities that are actively traded in the secondary market.

C. Return on Investment

The Regional Solid Waste Association's investment portfolio shall be designed to attain a market average rate of return through economic cycles. The market average rate of return is defined as the average return on the two-year U.S Treasury Bond. ~~Whenever possible, and consistent with the Regional Solid Waste Association's safety and liquidity objectives, risk limitations as defined herein and prudent investment principles, the Regional Solid Waste Association shall seek to augment returns above the market average rate of return.~~

MATURITIES

The maturity date of new investments should not be further away than the time the Regional Solid Waste Association anticipates that it will need to utilize the funds. Cash flow estimates of when the Regional Solid Waste Association will need cash shall be prepared in a prudent manner. Maturities shall be selected to anticipate cash needs, thereby reducing the possibility of the need for forced investment liquidation.

To insure that investment funds are always available when needed, the City of Vista Treasurer or her/his designee will analyze, prepare and maintain a cash plan projection. Liquidity levels will be estimated by the City of Vista Treasurer or her/his designee bi-weekly.

Where this Policy does not state an explicit limit, All investments shall have a maturity of five years or less from the date of purchase, unless the Board of Directors has granted expressed authority to make that investment either specifically or as a part of an investment program approved by the Board of Directors

no less than three months prior to the investment.

ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall 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. Employees and investment officials shall disclose any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the Regional Solid Waste Association's portfolio. Employees and officers of RSWA and the City of Vista shall subordinate their personal investment transactions to those of the Regional Solid Waste Association, particularly with regard to the timing of purchases and sales. The City of Vista Treasurer shall avoid any transaction that might impair public confidence in the Regional Solid Waste Association's ability to govern effectively.

TRADING

The Regional Solid Waste Association shall not make investments for the purpose of ~~trading or~~ speculation as the dominant criterion, such as anticipating an appreciation of capital value through changes in market rates.

REPORTING

The City of Vista Treasurer shall provide the Regional Solid Waste Association General Manager with a monthly ~~"Treasurer Cash Report"~~ report of investments ~~at the same time the report is provided to the City of Vista City Council. The report will generally be available~~ within 60 days following the end of the preceding month or as close to that as practical ~~given the meeting schedule of the City Council.~~ The report shall identify the type of investment, name of the issuer, purchase and maturity dates, par and book values, coupon and yield to maturity rates, market value and source of valuation, weighted average maturity of the investments, and any funds, investments, or programs, including loans, that are under the management of contracted parties. It must include a listing of all investment transactions for the month, including purchases, sales, calls and maturities, and show any capital gain or loss on each transaction. The report shall state compliance of the portfolio to ~~the investment~~ this pPolicy, or manner in which the portfolio is not in compliance. It shall also include a statement denoting the Regional Solid Waste Association's ability to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

INTERNAL CONTROL

The City of Vista Treasurer in consultation with the RSWA General Manager of the Regional Solid Waste Association shall establish an annual process of independent review of investments portfolio compliance with this Policy by an external auditor. ~~The purpose of this review shall be to obtain suggestions for improved future performance, and to verify that investments have been made in accordance with policies and procedures.~~

QUALIFIED DEALERS

A competitive process, whenever practical, will be used for investment transactions. For any investment transaction not conducted directly with the issuer, it shall be the Regional Solid Waste Association's policy to purchase securities only from authorized institutions and firms. No deposit of public funds shall be made except in a qualified public depository as established by state laws. The Regional Solid Waste Association shall transact business only with banks and savings and loans, and with investment securities dealers. The dealers must be primary dealers regularly reporting to the Federal Reserve Bank. Exceptions to this rule will be made at the discretion of the City of Vista Treasurer in consultation with the RSWA General Manager. Dealers must provide a list of references, including at least three California cities, counties or districts. Investment staff of the City of Vista shall investigate dealers wishing to do business with the Regional Solid Waste Association and determine if they are adequately capitalized, make markets in securities appropriate to the Regional Solid Waste Association's needs, and are recommended by managers of portfolios similar to the Regional Solid Waste Association's. The City of Vista Treasurer shall provide information regarding any newly acquired dealer to the Regional Solid Waste Association General Manager. All securities purchased from the list of qualified dealers shall be held in the Regional Solid Waste Association's name by a third party safekeeper. No securities will be held by the dealers initiating the transaction.

The City of Vista Treasurer shall maintain a list of authorized broker/dealers and financial institutions that are approved for investment purposes and shall provide such list to the RSWA General Manager. All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply to the City of Vista Treasurer evidence of the following, and any other information deemed appropriate by the City of Vista Treasurer (which information the Vista City Treasurer shall provide to the RSWA General Manager upon request):

1. Must be in business for at least three (3) years.
2. Proof of Financial Industry Regulatory Authority (FINRA) certification.
3. Proof of state registration.
4. Certification of having read and understood and agreeing to comply with the Association's Policy and free of any conflicts of interest. Whenever this Policy is updated, the Association shall send a copy of the Policy to all institutions approved to do business with the Association, and
5. Evidence of adequate insurance coverage

If the Regional Solid Waste Association and/or the City of Vista has contracted with an investment advisor to provide investment services, the investment advisor may use their own list of approved issuers, brokers/dealers and financial institutions to conduct transactions on the Regional Solid Waste Association's behalf.

All financial institutions and securities dealers who desire to engage in investment transactions with the Regional Solid Waste Association shall submit a certification. The document will certify that the supervising officer has reviewed the Regional Solid Waste Association's investment policy and agrees to disclose potential conflicts or risks to public funds that might arise out of business transactions between the firm/depository and the Regional Solid Waste Association. All financial institutions shall agree to undertake reasonable efforts to preclude imprudent transactions involving Regional Solid Waste Association funds. The supervising officer shall agree to exercise due diligence in monitoring the activities of other officers and subordinate staff members engaged in transactions with the Regional Solid Waste Association. Employees of any financial institution offering securities or investments to the Regional Solid Waste Association shall be trained in the precautions appropriate to public sector investments and shall be required to familiarize themselves with our investment objectives, policies and

constraints.

When two or more investment opportunities offer essentially the same maturity, yield, quality and liquidity, the City of Vista Treasurer and the Regional Solid Waste Association will seek to promote local economic development by giving priority to the 1) financial institutions based in RSWA member Cities and then 2) to other financial institutions in California.

~~The Regional Solid Waste Association shall at least annually send a copy of the current investment policy to all dealers approved to do business with the Regional Solid Waste Association. Confirmation of receipt of this policy shall be considered evidence that the dealer understands the Regional Solid Waste Association's investment policies, and intends to show the Regional Solid Waste Association only appropriate investments.~~

~~An annual review of the financial condition and registrations of qualified financial institutions and securities dealers will be conducted by the City of Vista Treasurer. In addition, a current audited financial statement is required to be on file for each financial institution and securities dealer with which the Regional Solid Waste Association invests.~~

SAFEKEEPING OF SECURITIES

To protect against potential losses by collapse of individual securities dealers, all securities owned by the Regional Solid Waste Association, including collateral on repurchase agreements, shall be held in safekeeping by a third party bank trust department acting as agent for the Regional Solid Waste Association under the terms of a custody agreement executed by the bank and by the Regional Solid Waste Association or the City of Vista. All securities will be received and delivered using standard delivery-versus-payment procedures.

PRUDENCE

Pursuant to California Government Code Section 53600.3, the Regional Solid Waste Association Board and all persons authorized to make investment decisions on behalf of the Regional Solid Waste Association are trustees and therefore fiduciaries subject to the following 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 agency, 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 agency."

~~It is deemed to be prudent and acceptable for the Regional Solid Waste Association to pay a premium for a security provided that the yield to maturity equals or exceeds market yields of other alternative securities within the same asset class and maturity range.~~

Investment officers acting in accordance with written procedures and ~~the investment~~this pPolicy 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 in a timely fashion and appropriate action is taken to control adverse developments.

AUTHORIZED INVESTMENTS

The Regional Solid Waste Association is further governed by California Government Code, Section 53600 et seq. Within the context of these limitations, the following investments are authorized, as further limited below. Percentage holding limits listed in this section are calculated based on book value at the time the security is purchased. Issuer limits for corporate issuer are to be calculated across all security types herein:

- A. **United States Treasury Securities.** United States Treasury Bills, Bonds, and Notes, or those for which the full faith and credit of the United States are pledged for payment of principal and interest. This category includes corporate debt that is guaranteed under the Federal Deposit Insurance Corporation's (FDIC's) Temporary Liquidity Guarantee Program (TLGP), since it is backed by the full faith and credit of the United States (as provided in the FDIC's regulations, 12 CFR Part 370, and on the FDIC's website, (www.fdic.gov/tlgp). There is no limitation as to the percentage of the portfolio which can be invested in this category.

- B. **Federal Agency Obligations.** Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the portfolio that may be invested in this category; however, Obligations issued by the United States Government Agencies such as the Government National Mortgage Association (GNMA), the Federal Farm Credit Bank System (FFCB), the Federal Home Loan Bank Board (FHLB), the Federal National Mortgage Association (FNMA), the Student Loan Marketing Association (SLMA) and the Tennessee Valley Authority (TVA). Although there is no percentage limitation of the dollar amount that can be invested in these issues, the "prudent investor" rule shall apply to the amount invested in for any single agency name.

- C. **U.S. Instrumentalities.** United States 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, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Purchases are limited to securities that have a long-term debt rating of at least "AA", or its equivalent, by a Nationally Recognized Statistical Rating Organization (NRSRO). A maximum of 30 percent of the portfolio may be invested in this category.

- DE. **Commercial Paper.** Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO, and issued by a domestic corporation having assets in excess of \$500 million and has debt other than commercial paper, if any, that is rated "A" or higher by an NRSRO. Commercial paper ranked P1 by Moody's Investor Services and A1 by Standard and Poor's, and issued by a domestic corporation having assets in excess of \$500 million and having an A or better rating on its long term debentures as provided by Moody's or Standard and Poor's. Purchases of eligible commercial paper may not exceed 270 days to maturity nor represent more than 10% of the outstanding paper of an issuing corporation. Purchases of commercial paper may not exceed 15% of the book value of the portfolio at the time of purchase. No more than 10% of the book value of the portfolio at the time of purchase may be invested in commercial paper issued by any one corporation. A maximum of 15 percent of the portfolio may be invested in this category. The amount invested with any one issuer shall not exceed 5 percent of the portfolio.

- DE. **Medium Term Notes (MTNs).** Medium-term notes, defined as all corporate and depository institution securities with a maximum remaining maturity of five years or less, 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. Notes eligible for investment under this subdivision shall be rated "A" or better by an NRSRO. A maximum of 15 percent of the portfolio may be invested in this category. The amount invested with any one issuer shall not exceed 5 percent of the portfolio. The Regional Solid Waste Association may invest in MTNs issued by corporations operating within the United States. MTNs eligible for purchase shall be rated "A" or better by Standard and Poor's or by Moody's rating services. MTNs with an "A" rating shall be limited to 24 months maximum maturity; AA-rated MTNs shall be limited to 36 months. The aggregate total of all purchased MTNs may not exceed 15% of the book value of the investment portfolio at the time of purchase. No more than 5% of the book value of the portfolio at the time of purchase may be invested in notes issued by any one corporation. Commercial paper holdings shall be considered when calculating the maximum percentage in any issuer name.

- EF. **Local Agency Investment Fund.** The Regional Solid Waste Association may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer for the benefit of local agencies up to the maximum amount permitted by State Law, subject to the following:

Accurate and detailed accounting records must be maintained for the funds for each participating government. A separate account designated by name and number for each participant in the fund shall be kept to record individual transactions. A proportionate amount of interest earned must be credited to each account, and totals of all investments belonging to each participant shown. A monthly report showing the changes in investments made during the preceding month shall be furnished to each participant.

LAIF regulations provide that an agency-Regional Solid Waste Association may have an account for each of the entities the Regional Solid Waste Association agency governs. The Regional Solid Waste Association City of Vista Treasurer is authorized to establish and maintain one account for the Regional Solid Waste Association with the City of Vista.

- G. **Negotiable Certificates of Deposit.** Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases are limited to institutions which have long-term debt rating of "A" or better and/or have short-term debt rating of "A-1" or better by a NRSRO. A maximum of 15 percent of the portfolio may be invested in this category. The amount invested with any one issuer shall not exceed 5 percent of the portfolio.

- H. **Bank Deposits.** FDIC insured or fully collateralized demand deposit accounts, savings accounts, market rate accounts, certificates of deposits and other types of bank deposits in financial institutions located in California. The amount on deposit in any financial institution shall not exceed the shareholder's equity. To be eligible to receive Regional Solid Waste Association deposits, the financial institution must have received a minimum overall satisfactory rating, under the Community Redevelopment Act, for meeting the credit needs of California Communities in its most recent evaluation. Bank deposits are required to be collateralized as specified under Government Code Section 53630 et seq. The City of Vista Treasurer, at his/her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. The City of Vista shall have a signed agreement with any depository accepting Regional Solid Waste Association Funds along with City funds per Government Code Section 53649. There is no limit on the percentage of the portfolio that may be invested in this category. However, a maximum of 10 percent of the portfolio may be invested in time deposits.

- I. **Placement Service Bank Deposits.** Bank deposits placed with a private sector entity that assists

in the placement of deposits with eligible financial institutions located in the United States. The full amount of the principal and the interest that may be accrued during the maximum term of each deposit shall at all times be insured by federal deposit insurance. Placement Deposits shall meet all of the requirements of Government Code Section 53601.8. A maximum of 15 percent of the portfolio may be invested in this category.

F. ~~**Time Deposits.** The Regional Solid Waste Association may invest in negotiable and non-negotiable certificates of deposit issued by a nationally or state chartered bank, a savings association or a federal association (as defined by Section 5102 of the California Financial Code), a state or federal credit union, or by a federally licensed or state licensed branch of a foreign bank. Purchases of all types of certificates of deposit shall not exceed 30 percent of the book value of the portfolio. The Regional Solid Waste Association may not invest in certificates of deposit issued by a state or federal credit union if the Chairperson, any member of the Board of Directors, the General Manager, or any other person with investment decision-making authority on behalf of the Regional Solid Waste Association also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the certificate of deposit. The full amount of the principal and interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.~~

G. ~~**Certificates of Deposit purchased through CDARS (Certificate of Deposit Account Registry Service).** The Regional Solid Waste Association may invest in certificates of deposit at a commercial bank, savings bank, savings and loan association, or credit union that uses CDARS to place the certificates of deposit with the following conditions:~~

- ~~1. The total of all time deposits and certificates of deposit may not exceed 30% of the book value of the portfolio.~~
- ~~2. The Regional Solid Waste Association shall choose a nationally or state chartered commercial bank, savings bank, savings and loan association, or credit union in California to invest the funds, which shall be known as the "selected depository institution."~~
- ~~3. The selected depository institution shall submit the funds to CDARS, which will assist in the placement of certificates of deposit with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States.~~
- ~~4. The full amount of the principal and interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.~~
- ~~5. The selected depository institution shall serve as a custodian for each certificate of deposit that is issued through CDARS for the Regional Solid Waste Association's account.~~
- ~~6. At the same time that the Regional Solid Waste Association's funds are deposited and the certificates of deposit are issued, the selected depository institution shall receive an amount of deposits from other commercial banks, savings banks, savings and loan~~

associations, or credit unions that, in total, are equal to, or greater than, the full amount of the principal that the Regional Solid Waste Association initially deposited through the selected depository institution for investment.

- ~~7. No credit union may act as a selected depository institution unless it offers federal depository insurance through the National Credit Union Administration and has written authorization from the National Credit Union Administration allowing participation of federally insured credit unions in certificate of deposit placement services and affirming that the moneys held by those credit unions while participating in a deposit placement service will at all times be insured by the federal government.~~

HJ. State and Local Agency Bonds. Bonds issued by the State of California or any of the other 49 United States, or any local agency within California. This includes bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the State of California or any of the other 49 United States, or a local agency within California, or by a department, board, agency, or authority of California or any of the other 49 United States, or a local agency within California, including the Regional Solid Waste Association.

1. If a bond is rated by two or more ~~rating services~~NRSRO, it must have an underlying rating of at least "A" by Standard and Poor's or Fitch, or at least "A2" by Moody's ~~each~~NRSRO. If it is only rated by one ~~rating service~~NRSRO, it must have an underlying rating of at least "AA" ~~by Standard and Poor's or Fitch, or at least "Aa3" by Moody's~~the NRSRO. Unrated bonds and bonds with a credit watch or outlook of negative from any ~~one rating agency~~NRSRO are not permissible investments.
2. ~~A maximum of 20 percent of the portfolio may be invested in this category. The amount invested with any one issuer shall not exceed 4 percent of the portfolio. The aggregate total of all purchased state or local agency bonds may not exceed 20 % of the book value of the investment portfolio at the time of purchase. No more than 4 % of the book value of the portfolio at the time of purchase may be invested in notes issued by any one agency.~~
3. ~~No more than \$5 thousand may be invested in any one bond issue at any one time.~~
4. ~~All prospective bond purchases must be reviewed and approved by the Regional Solid Waste Association General Manager prior to purchase.~~

K. Local Government Investment Pools (LGIP). Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7. To be eligible for purchase, the LGIP shall meet all of the following conditions: (i) the LGIP shall comply with the requirements of California Government Code Section 53601(p), and (ii) the LGIP must seek to maintain a stable Net Asset Value ("NAV"). A maximum of 25 percent of the portfolio may be invested in this category.

The City of Vista Treasurer shall review the LGIP's current information statement before investing Regional Solid Waste Association funds. Whenever the Regional Solid Waste Association has monies invested in a LGIP, a copy of the LGIP's information statement shall be maintained on file by the City of Vista. In addition, the City of Vista Treasurer should periodically review a summary of the LGIP's portfolio holdings.

L. **Money Market Funds.** Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission.

The company shall have met either of the following criteria: (A) attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs and (B) retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years of experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000). Furthermore, the Association shall limit investments to money market funds that seek to maintain a stable NAV. A maximum of 20 percent of the portfolio may be invested in this category.

The City of Vista Treasurer shall review the fund's prospectus before investing Regional Solid Waste Association funds. Whenever the Regional Solid Waste Association has monies invested in a fund, a copy of the fund's prospectus shall be maintained on file by the City of Vista. In addition, the City of Vista Treasurer should periodically review a summary of the fund's portfolio holdings.

~~1. **Investment Pools and Money Market Funds.** A thorough investigation of any investment pool or money market mutual fund is required prior to investing in it, as well as on an ongoing basis. The following information should be obtained and analyzed:~~

- ~~1. A description of eligible investment securities.~~
- ~~2. A written statement of investment policies and objectives.~~
- ~~3. A description of interest calculations and their distribution, and the treatment of gains and losses.~~
- ~~4. A description of how the securities are safeguarded, and how often the securities are priced and the program audited.~~
- ~~5. Information about the size and frequency of deposits and withdrawals allowed, and how much notice is needed for withdrawals.~~
- ~~6. A schedule for receiving statements and portfolio listings.~~
- ~~7. A fee schedule, as well as how and when the fees are assessed.~~
- ~~8. The rating of the pool/fund.~~
- ~~9. Information about investment advisers, including registration with the Securities and Exchange Commission, length of experience, and total assets under management.~~

INELIGIBLE INVESTMENTS

The Regional Solid Waste Association shall not invest in any securities or investments not described herein, including but not limited to, common stocks, corporate bonds with a final maturity exceeding 5 years at the time of purchase, mutual funds (except no-load, open-ended money market mutual funds), banker's acceptances, repurchase agreements, reverse repurchase agreements, asset-backed and mortgage-backed securities (except Federal Agency mortgage-backed securities), securities or obligations where the payment of interest and principal is derived from cash flows of an underlying mortgage pool, securities or

obligations where the return or value is derived from underlying assets, inverse floaters, range notes, interest-only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity. Further, investments which exceed five years in maturity require authorization by Regional Solid Waste Association Board prior to purchase.

SWAPPING OF SECURITIES

A swap is the movement from one security to another and may be done for a variety of reasons, such as to increase yield, lengthen or shorten maturities, to take a profit, or to increase investment quality. Losses or gains on security swaps must be recorded as a completed sale and purchase.

PORTFOLIO ADJUSTMENTS

Should an investment percentage-of-portfolio limitation be exceeded due to an incident such as fluctuation in portfolio size, the affected securities may be held to maturity to avoid losses. ~~When no loss is indicated, the City of Vista Treasurer shall consider restructuring the portfolio, basing the decision in part on the expected length of time the portfolio will be imbalanced.~~

POLICY REVIEW

This ~~investment p~~Policy shall be reviewed at least annually to ensure its consistency with the overall objectives of safety of principal, liquidity, and rate of return, its compliance with current law, and its relevance to financial and economic trends. The City of Vista Treasurer in consultation with the RSWA General Manager and RSWA Treasurer shall annually submit the ~~investment p~~Policy to the Regional Solid Waste Association Board at a public meeting for approval. Any changes in the ~~policy~~Policy throughout the year shall also be considered by the Regional Solid Waste Association Board at a public meeting.

GLOSSARY

Agencies: Entities of the Federal Government set up to supply credit to various classes of institutions (e.g. savings and loans, small business firms, farmers, housing agency groups, etc.).

Asset-backed Securities: The bonds or notes backed by loan paper or accounts receivable originated by banks, credit card companies, or other providers of credit.

Banker's Acceptance: A time draft drawn on and accepted by a bank, the customary means of effecting payment for merchandise sold in import-export transactions, and a source of financing used extensively in international trade.

Bond: An interest-bearing or discounted government or corporate security that obligates the issuer to pay the bondholder a specified sum of money, usually at specific intervals, and to repay the principal amount at maturity.

Book Value: The value at which an asset is carried on a balance sheet.

Callables: Securities that the issuer has the right to redeem prior to maturity.

~~**CDARS:** Effective January 1, 2007, AB 2011 (Chapter 459, Statutes of 2006) provides for a Certificates of Deposit Account Registry Service (CDARS) which expanded local agencies' permissible investments to include the use of private CD placement services.~~

Collateral: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial paper: The short-term unsecured obligations with maturities ranging from 2 to 270 days issued by banks, corporations, and other borrowers.

Constant Maturity Treasury (CMT): A yield figure calculated by the Federal Reserve based on actively traded Treasury securities with a constant, fixed maturity.

Coupon: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's par value. (b) The certificate attached to a bond evidencing interest due on a payment date.

Debenture: A security secured only by the credit of the issuer.

Debt Instrument: A written promise to repay a debt.

Delivery Versus Payment: The simultaneous delivery of securities with an exchange of money for the securities.

Derivative: A derivative is a financial instrument or obligation whose value, income, or return is based upon or linked to another asset, or index, or both, separate from the financial instrument or obligation itself.

Discount: The amount by which a security sells below its par value.

Discount Security: A non-interest bearing security issued at less than par value and redeemed at maturity for full par value.

Draft: A signed, written order by which one party (drawer) instructs another part (drawee) to pay a specified sum to a third party (payee). A **time draft** is a draft payable at a specified or determinable time in the future.

Floater: A debt instrument with a variable interest rate tied to another interest rate--for example, the rate paid by Treasury bills. A floating rate note pays more interest if the interest rate it is tied to rises and less interest if the rate falls. An **inverse floater** pays less interest if the interest rate it is tied to rises and more interest if the rate falls.

Liquidity: The ability to easily and rapidly convert assets into cash without a substantial loss.

Local Agency Investment Fund (LAIF): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment purposes.

Market Value: The price at which a security is trading and could presumably be purchased or sold.

Maturity Date: The date upon which the principal or stated value of an investment becomes due and payable.

Medium-term Note: A note with a maturity between one and ten years, although with bond, it is often shortened to mean between two and ten years.

Money Market: The market in which short-term debt instruments (bills, commercial paper, banker's acceptances, etc.) are issued and traded.

Mortgage-backed Security: An obligation where interest and principal payments are derived from the cash flows of an underlying mortgage pool. For purposes of this definition, a federal agency obligation with a fixed or variable interest rate and a final maturity date, where payments of interest and principal are not derived from the interest and principal cash flows of a mortgage pool, is not a mortgage-backed security.

Mutual Fund: A fund operated by an investment company that raises money from shareholders and invests it on their behalf. Profits are distributed to shareholders after the investment company deducts its management fee.

Nationally Recognized Statistical Rating Organization (NRSRO): A credit rating agency that issue credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes. The largest three NRSROs are Standard & Poor's, Moody's Investors Service and Fitch Ratings.

Negotiable: Something that can be sold or transferred to another party.

Note: A written promise to pay a specified amount on demand or on a specified date.

Par Value: The value of a security as stated on its certificate or instrument. Also referred to as **face value**.

Premium: The amount by which a security sells above its par value.

Primary Dealer: A bank or investment dealer authorized to buy and sell government securities in direct dealing with the Federal Reserve Bank of New York in its execution of Fed open market operations. Such dealers must be qualified in terms of reputation, capacity, and adequacy of staff and facilities.

Repurchase Agreement: An agreement between a seller and a buyer, usually of U.S. Government securities, whereby the seller agrees to repurchase the securities at an agreed upon price on a stated date. Dealers also arrange **reverse repurchase agreements**, whereby they agree to buy the securities from an investor, and the investor agrees to repurchase them at a later date for a stated price.

Safekeeping: The storage and protection of a customer's financial assets, valuable, or documents, provided as a service by an institution such as a bank or brokerage firm.

Secondary Market: The market where securities are bought and sold after their original issuance.

Security: An instrument that signifies an ownership position in a corporation (a stock), a creditor relationship with a corporation or governmental body (a bond), or rights to ownership.

Short-term: An investment with a maturity of one year or less, although with bonds it is often stretched to mean two years or less.

Sinking Fund: Money accumulated on a regular basis in a separate account that is used to redeem debt securities or preferred stock issues.

~~**State and Local Agency Bonds:** These are frequently called "Municipal Bonds" and are bonds issued by any of the 50 states of the United States, their departments, boards, agencies or authorities or a local jurisdiction of that state, such as a Regional Solid Waste Association, county or special district.~~

Strip: The practice of separating a bond into its corpus (principal) and coupons (interest), which are then sold separately.

Time Deposit: A savings account or certificate of deposit held in a financial institution for a fixed term.

Treasury Bill: A non-interest bearing discount security maturing in one year or less issued by the U.S. Treasury to finance the national debt.

Treasury Bond: A long-term coupon-bearing U.S. Treasury security issued as a direct obligation of the U.S. Government and having an initial maturity of more than ten years.

Treasury Note: _____A medium-term coupon-bearing U.S. Treasury security issued as a direct obligation of the U.S. Government and having an initial maturity from two to ten years.

Unsecured: Not backed by the pledge of specific collateral.

Weighted Average Maturity: The sum of the amount of each investment multiplied by the

number of days to maturity, divided by the total amount of investments.

Yield: The rate of annual return on an investment, expressed as a percentage.

Yield to maturity takes into account the total of annual interest payments, the purchase price, the value at maturity, and the amount of time remaining until maturity.

RESOLUTION OF THE REGIONAL SOLID WASTE ASSOCIATION
ADOPTING AN INVESTMENT POLICY

WHEREAS, effective January 7, 2010 the Board of Directors of the Regional Solid Waste Association approved the Association's Investment Policy;

WHEREAS, the Regional Solid Waste Association has been receiving fiduciary assistance from the City of Vista's Finance Department since January 2010;

WHEREAS, the Investment Policy of the Regional Solid Waste Association adopted in January 2010 was consistent with the Investment Policy of the City of Vista;

WHEREAS, from time to time the Investment Policy of the Regional Solid Waste Association is reviewed to determine whether the policy needs to be revised to remain consistent with the Investment Policy of the City of Vista;

WHEREAS, the Investment Policy of the Regional Solid Waste Association was amended on January 7, 2011, on July 11, 2013, on April 3, 2014, and on October 2, 2014 to be consistent with changes in the Investment Policy of the City of Vista;

WHEREAS, the City of Vista adopted an amended Investment Policy in May, 2016.

WHEREAS, it is necessary to amend the Investment Policy of the Regional Solid Waste Association to be consistent with the City of Vista's current Investment Policy; and

WHEREAS, the Regional Solid Waste Association desires to reaffirm the delegation of authority to the Treasurer of the City of Vista to invest funds on the Association's behalf;

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

1. The attached Regional Solid Waste Association Statement of Investment Policy dated July 7, 2016 is hereby approved.

2. The delegation of authority to the Treasurer of the City of Vista to invest Regional Solid Waste Association funds on behalf of the Association is hereby reaffirmed.

PASSED AND ADOPTED by the Board of Directors of the Regional Solid Waste Association, San Diego County, State of California, on July 7, 2016.

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. 2016-01 was duly adopted at a regular meeting of the Association, held on the 7th day of July, 2016, 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 7th day of July, 2016.

Ron Morrison, Chairman
Regional Solid Waste Association

**REGIONAL SOLID WASTE ASSOCIATION
STATEMENT OF INVESTMENT POLICY**

July 7, 2016

INTRODUCTION

The purpose of this Statement of Investment Policy (“Policy”) is to outline policies for maximizing the efficiency of the Regional Solid Waste Association’s (“RSWA”) Cash Management System and to provide guidelines for the prudent investment of RSWA’s Funds in conformance with all federal, state, and local laws governing the investment of RSWA monies, prudent money management and the “Code of Ethics on Professional Conduct” of the California Municipal Treasurer’s Association. The investment of bond proceeds will be further governed by the provisions of relevant bond documents.

The ultimate goal is to enhance the economic status of the Regional Solid Waste Association (RSWA) while protecting its funds.

The Regional Solid Waste Association’s Cash Management System is designed to accurately monitor and forecast expenditures and revenues, thus striving to maintain the level of investment of all idle funds as near 100% as possible, through daily and projected cash flow determinations. The Regional Solid Waste Association shall attempt to obtain the highest yield, provided that all investments meet the criteria established for safety and liquidity.

Except as otherwise provided in this Policy, idle cash management and investment of RSWA’s Funds in a manner consistent with this Policy are the responsibility of the RSWA General Manager and RSWA Treasurer.

RESPONSIBILITY AND DELEGATION OF AUTHORITY

Pursuant to Section 53601 of the California Government Code, the Regional Solid Waste Association Board of Directors has primary responsibility for investment of surplus monies, or monies held in sinking funds, in RSWA’s treasury. As authorized under Section 53607 of the Government Code, the Board of Directors hereby delegates its authority to invest or reinvest the funds of the Regional Solid Waste Association, and to sell or exchange securities so purchased, to the City of Vista Director of Finance/Treasurer, who shall assume full responsibility for all such transactions. This delegation of authority shall be in effect for one fiscal year and subject to annual renewal by the Board of Directors, or until such time as this delegation of authority may be revoked by the Board of Directors. Consistent with the investment policies and procedures of the City of Vista, the City of Vista Treasurer may delegate investment management and decision authority, via written agreement, to one or more professional investment advisors/managers who are duly qualified and registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. All agents engaged in this capacity shall make all investment decisions and transactions in strict accordance with state law and this investment policy.

The RSWA General Manager and RSWA Treasurer shall oversee the investment activities of the City of Vista Treasurer and to require the faithful performance of all administrative duties delegated under this Policy.

SCOPE

The Regional Solid Waste Association is authorized to invest its funds in accordance with the California Government Code Sections 53600 *et. seq.* This Policy applies to all financial assets and investment activities of the Regional Solid Waste Association. California Government Code Section 53601(m) permits money from bond proceeds, obligations under a lease, installment sales, or other agreements to be invested in any security that meets the statutory provisions governing the issuance of the bond or other agreements made by the issuing agency. If the bond documents are silent as to the permitted investments, bond proceeds will be invested in the securities permitted by the Policy. Notwithstanding the other provisions of this Policy, the percentage or dollar portfolio limitations listed elsewhere in the Policy do not apply to bond proceeds.

All monies entrusted to the City of Vista Treasurer will be pooled in an actively managed portfolio. The Investment Pool or "Portfolio" will be referred to as the "Fund" throughout the remainder of this document.

The Regional Solid Waste Association's Fund will be invested by the City of Vista, under the authority and management of the City of Vista Treasurer, in accordance with this Policy and those investment policies and procedures adopted by the City of Vista with respect to the investment of the City of Vista's funds. In the event of a conflict between the provisions of this Policy and the applicable policies and procedures adopted by the City of Vista, the provisions of this Policy shall prevail.

The City of Vista Treasurer will observe, review and react to changing conditions that affect the Fund.

The City of Vista Treasurer will keep the RSWA General Manager and RSWA Board apprised of the changing investment environment and any potential restructuring of the portfolio which could result.

OBJECTIVES

The primary objectives, in priority order, of the Regional Solid Waste Association's investment activities shall be:

A. Safety of Principal

Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. It is explicitly recognized herein, however, that in a diversified portfolio, occasional measured losses are inevitable and must be considered within the context of overall investment return.

B. Liquidity

The Regional Solid Waste Association's investment portfolio will remain sufficiently liquid to enable the Regional Solid Waste Association to meet all operating requirements which might be reasonably anticipated. Investments will be authorized only in "readily marketable" securities; i.e. those securities that are actively traded in the secondary market.

C. Return on Investment

The Regional Solid Waste Association's investment portfolio shall be designed to attain a market average rate of return through economic cycles. The market average rate of return is defined as the average return on the two-year U.S Treasury Bond. Consistent with the Regional Solid Waste

Association's safety and liquidity objectives and prudent investment principles, the Regional Solid Waste Association shall seek to augment returns above the market average rate of return.

MATURITIES

The maturity date of new investments should not be further away than the time the Regional Solid Waste Association anticipates that it will need to utilize the funds. Cash flow estimates of when the Regional Solid Waste Association will need cash shall be prepared in a prudent manner. Maturities shall be selected to anticipate cash needs, thereby reducing the possibility of the need for forced investment liquidation.

To insure that investment funds are always available when needed, the City of Vista Treasurer or her/his designee will analyze, prepare and maintain a cash plan projection. Liquidity levels will be estimated by the City of Vista Treasurer or her/his designee bi-weekly.

Where this Policy does not state an explicit limit, all investments shall have a maturity of five years or less from the date of purchase, unless the Board of Directors has granted expressed authority to make that investment either specifically or as a part of an investment program approved by the Board of Directors no less than three months prior to the investment.

ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall 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. Employees and investment officials shall disclose any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the Regional Solid Waste Association's portfolio. Employees and officers of RSWA and the City of Vista shall subordinate their personal investment transactions to those of the Regional Solid Waste Association, particularly with regard to the timing of purchases and sales. The City of Vista Treasurer shall avoid any transaction that might impair public confidence in the Regional Solid Waste Association's ability to govern effectively.

TRADING

The Regional Solid Waste Association shall not make investments for the purpose of speculation as the dominant criterion, such as anticipating an appreciation of capital value through changes in market rates.

REPORTING

The City of Vista Treasurer shall provide the Regional Solid Waste Association General Manager with a monthly report of investments within 60 days following the end of the preceding month or as close to that as practical. The report shall identify the type of investment, name of the issuer, purchase and maturity dates, par and book values, coupon and yield to maturity rates, market value and source of valuation, weighted average maturity of the investments, and any funds, investments, or programs, including loans, that are under the management of contracted parties. It must include a listing of all investment transactions for the month, including purchases, sales, calls and maturities, and show any capital gain or loss on each transaction. The report shall state compliance of the portfolio to this Policy, or manner in which the portfolio is not in compliance. It shall also include a statement denoting the Regional Solid Waste Association's ability to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

INTERNAL CONTROL

The City of Vista Treasurer in consultation with the RSWA General Manager of the Regional Solid Waste Association shall establish an annual process of independent review of investments portfolio compliance with this Policy by an external auditor.

QUALIFIED DEALERS

A competitive process, whenever practical, will be used for investment transactions. For any investment transaction not conducted directly with the issuer, it shall be the Regional Solid Waste Association's policy to purchase securities only from authorized institutions and firms. No deposit of public funds shall be made except in a qualified public depository as established by state laws.

The City of Vista Treasurer shall maintain a list of authorized broker/dealers and financial institutions that are approved for investment purposes and shall provide such list to the RSWA General Manager. All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply to the City of Vista Treasurer evidence of the following, and any other information deemed appropriate by the City of Vista Treasurer (which information the Vista City Treasurer shall provide to the RSWA General Manager upon request):

1. Must be in business for at least three (3) years,
2. Proof of Financial Industry Regulatory Authority (FINRA) certification,
3. Proof of state registration,
4. Certification of having read and understood and agreeing to comply with the Association's Policy and free of any conflicts of interest. Whenever this Policy is updated, the Association shall send a copy of the Policy to all institutions approved to do business with the Association, and
5. Evidence of adequate insurance coverage

If the Regional Solid Waste Association and/or the City of Vista has contracted with an investment advisor to provide investment services, the investment advisor may use their own list of approved issuers, brokers/dealers and financial institutions to conduct transactions on the Regional Solid Waste Association's behalf.

When two or more investment opportunities offer essentially the same maturity, yield, quality and liquidity, the City of Vista Treasurer and the Regional Solid Waste Association will seek to promote local economic development by giving priority to the 1) financial institutions based in RSWA member Cities and then 2) to other financial institutions in California.

SAFEKEEPING OF SECURITIES

To protect against potential losses by collapse of individual securities dealers, all securities owned by the Regional Solid Waste Association, including collateral on repurchase agreements, shall be held in safekeeping by a third party bank trust department acting as agent for the Regional Solid Waste Association under the terms of a custody agreement executed by the bank and by the Regional Solid Waste Association or the City of Vista. All securities will be received and delivered using standard delivery-versus-payment procedures.

PRUDENCE

Pursuant to California Government Code Section 53600.3, the Regional Solid Waste Association Board and all persons authorized to make investment decisions on behalf of the Regional Solid Waste Association are trustees and therefore fiduciaries subject to the following 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 agency, 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 agency."

Investment officers acting in accordance with written procedures and this 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 in a timely fashion and appropriate action is taken to control adverse developments.

AUTHORIZED INVESTMENTS

The Regional Solid Waste Association is further governed by California Government Code, Section 53600 et seq. Within the context of these limitations, the following investments are authorized, as further limited below. Percentage holding limits listed in this section are calculated based on book value at the time the security is purchased. Issuer limits for corporate issuer are to be calculated across all security types:

- A. **United States Treasury Securities.** United States Treasury Bills, Bonds, and Notes, or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio which can be invested in this category.
- B. **Federal Agency Obligations.** Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the portfolio that may be invested in this category; however, the "prudent investor" rule shall apply to the amount invested in any single agency name.
- C. **U.S. Instrumentalities.** United States 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, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Purchases are limited to securities that have a long-term debt rating of at least "AA", or its equivalent, by a Nationally Recognized Statistical Rating Organization (NRSRO). A maximum of 30 percent of the portfolio may be invested in this category.
- D. **Commercial Paper.** Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO, and issued by a domestic corporation having assets in excess of \$500 million and has debt other than commercial paper, if any, that is rated "A" or higher by an NRSRO. Purchases of eligible commercial paper may not exceed 270 days to maturity nor represent more than 10% of the outstanding paper of an issuing

corporation. A maximum of 15 percent of the portfolio may be invested in this category. The amount invested with any one issuer shall not exceed 5 percent of the portfolio.

E. **Medium Term Notes.** Medium-term notes, defined as all corporate and depository institution securities with a maximum remaining maturity of five years or less, 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. Notes eligible for investment under this subdivision shall be rated "A" or better by an NRSRO. A maximum of 15 percent of the portfolio may be invested in this category. The amount invested with any one issuer shall not exceed 5 percent of the portfolio.

F. **Local Agency Investment Fund.** The Regional Solid Waste Association may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer for the benefit of local agencies up to the maximum amount permitted by State Law, subject to the following:

Accurate and detailed accounting records must be maintained for the funds for each participating government. A separate account designated by name and number for each participant in the fund shall be kept to record individual transactions. A proportionate amount of interest earned must be credited to each account, and totals of all investments belonging to each participant shown. A monthly report showing the changes in investments made during the preceding month shall be furnished to each participant.

LAIF regulations provide that an agency may have an account for each of the entities the agency governs. The City of Vista Treasurer is authorized to establish and maintain one account for the Regional Solid Waste Association with the City of Vista.

G. **Negotiable Certificates of Deposit.** Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases are limited to institutions which have long-term debt rating of "A" or better and/or have short-term debt rating of "A-1" or better by a NRSRO. A maximum of 15 percent of the portfolio may be invested in this category. The amount invested with any one issuer shall not exceed 5 percent of the portfolio.

H. **Bank Deposits.** FDIC insured or fully collateralized demand deposit accounts, savings accounts, market rate accounts, certificates of deposits and other types of bank deposits in financial institutions located in California. The amount on deposit in any financial institution shall not exceed the shareholder's equity. To be eligible to receive Regional Solid Waste Association deposits, the financial institution must have received a minimum overall satisfactory rating, under the Community Redevelopment Act, for meeting the credit needs of California Communities in its most recent evaluation. Bank deposits are required to be collateralized as specified under Government Code Section 53630 et seq. The City of Vista Treasurer, at his/her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. The City of Vista shall have a signed agreement with any depository accepting Regional Solid Waste Association Funds along with City funds per Government Code Section 53649. There is no limit on the percentage of the portfolio that may be invested in this category. However, a maximum of 10 percent of the portfolio may be invested in time deposits.

I. **Placement Service Bank Deposits.** Bank deposits placed with a private sector entity that assists in the placement of deposits with eligible financial institutions located in the United States. The full amount of the principal and the interest that may be accrued during the maximum term of each deposit shall at all times be insured by federal deposit insurance. Placement Deposits shall

meet all of the requirements of Government Code Section 53601.8. A maximum of 15 percent of the portfolio may be invested in this category.

J. **State and Local Agency Bonds.** Bonds issued by the State of California or any of the other 49 United States, or any local agency within California. This includes bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the State of California or any of the other 49 United States, or a local agency within California, or by a department, board, agency, or authority of California or any of the other 49 United States, or a local agency within California, including the Regional Solid Waste Association.

1. If a bond is rated by two or more NRSRO, it must have an underlying rating of at least "A" by each NRSRO. If it is only rated by one NRSRO, it must have an underlying rating of at least "AA" by the NRSRO. Unrated bonds and bonds with a credit watch or outlook of negative from any NRSRO are not permissible investments.
2. A maximum of 20 percent of the portfolio may be invested in this category. The amount invested with any one issuer shall not exceed 4 percent of the portfolio.

K. **Local Government Investment Pools (LGIP).** Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7. To be eligible for purchase, the LGIP shall meet all of the following conditions: (i) the LGIP shall comply with the requirements of California Government Code Section 53601(p), and (ii) the LGIP must seek to maintain a stable Net Asset Value ("NAV"). A maximum of 25 percent of the portfolio may be invested in this category.

The City of Vista Treasurer shall review the LGIP's current information statement before investing Regional Solid Waste Association funds. Whenever the Regional Solid Waste Association has monies invested in a LGIP, a copy of the LGIP's information statement shall be maintained on file by the City of Vista. In addition, the City of Vista Treasurer should periodically review a summary of the LGIP's portfolio holdings.

L. **Money Market Funds.** Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission.

The company shall have met either of the following criteria: (A) attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs and (B) retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years of experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000). Furthermore, the Association shall limit investments to money market funds that seek to maintain a stable NAV. A maximum of 20 percent of the portfolio may be invested in this category.

The City of Vista Treasurer shall review the fund's prospectus before investing Regional Solid Waste Association funds. Whenever the Regional Solid Waste Association has monies invested in a fund, a copy of the fund's prospectus shall be maintained on file by the City of Vista. In addition, the City of Vista Treasurer should periodically review a summary of the fund's portfolio holdings.

INELIGIBLE INVESTMENTS

The Regional Solid Waste Association shall not invest in any securities or investments not described herein, including but not limited to, common stocks, corporate bonds with a final maturity exceeding 5 years at the time of purchase, mutual funds (except no-load, open-ended money market mutual funds), banker's acceptances, repurchase agreements, reverse repurchase agreements, asset-backed and mortgage-backed securities (except Federal Agency mortgage-backed securities), securities or obligations where the payment of interest and principal is derived from cash flows of an underlying mortgage pool, securities or obligations where the return or value is derived from underlying assets, inverse floaters, range notes, interest-only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity.

SWAPPING OF SECURITIES

A swap is the movement from one security to another and may be done for a variety of reasons, such as to increase yield, lengthen or shorten maturities, to take a profit, or to increase investment quality. Losses or gains on security swaps must be recorded as a completed sale and purchase.

PORTFOLIO ADJUSTMENTS

Should an investment percentage-of-portfolio limitation be exceeded due to an incident such as fluctuation in portfolio size, the affected securities may be held to maturity to avoid losses.

POLICY REVIEW

This Policy shall be reviewed at least annually to ensure its consistency with the overall objectives of safety of principal, liquidity, and rate of return, its compliance with current law, and its relevance to financial and economic trends. The City of Vista Treasurer in consultation with the RSWA General Manager and RSWA Treasurer shall annually submit the Policy to the Regional Solid Waste Association Board at a public meeting for approval. Any changes in the Policy throughout the year shall also be considered by the Regional Solid Waste Association Board at a public meeting.

GLOSSARY

Agencies: Entities of the Federal Government set up to supply credit to various classes of institutions (e.g. savings and loans, small business firms, farmers, housing agency groups, etc.).

Asset-backed Securities: The bonds or notes backed by loan paper or accounts receivable originated by banks, credit card companies, or other providers of credit.

Banker's Acceptance: A time draft drawn on and accepted by a bank, the customary means of effecting payment for merchandise sold in import-export transactions, and a source of financing used extensively in international trade.

Bond: An interest-bearing or discounted government or corporate security that obligates the issuer to pay the bondholder a specified sum of money, usually at specific intervals, and to repay the principal amount at maturity.

Book Value: The value at which an asset is carried on a balance sheet.

Callables: Securities that the issuer has the right to redeem prior to maturity.

Collateral: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial paper: The short-term unsecured obligations with maturities ranging from 2 to 270 days issued by banks, corporations, and other borrowers.

Constant Maturity Treasury (CMT): A yield figure calculated by the Federal Reserve based on actively traded Treasury securities with a constant, fixed maturity.

Coupon: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's par value. (b) The certificate attached to a bond evidencing interest due on a payment date.

Debenture: A security secured only by the credit of the issuer.

Debt Instrument: A written promise to repay a debt.

Delivery Versus Payment: The simultaneous delivery of securities with an exchange of money for the securities.

Derivative: A derivative is a financial instrument or obligation whose value, income, or return is based upon or linked to another asset, or index, or both, separate from the financial instrument or obligation itself.

Discount: The amount by which a security sells below its par value.

Discount Security: A non-interest bearing security issued at less than par value and redeemed at maturity for full par value.

Draft: A signed, written order by which one party (drawer) instructs another part (drawee) to pay a specified sum to a third party (payee). A **time draft** is a draft payable at a specified or determinable time in the future.

Floater: A debt instrument with a variable interest rate tied to another interest rate--for example, the rate paid by Treasury bills. A floating rate note pays more interest if the interest rate it is tied to rises and less interest if the rate falls. An **inverse floater** pays less interest if the interest rate it is tied to rises and more interest if the rate falls.

Liquidity: The ability to easily and rapidly convert assets into cash without a substantial loss.

Local Agency Investment Fund (LAIF): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment purposes.

Market Value: The price at which a security is trading and could presumably be purchased or sold.

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Unsecured: Not backed by the pledge of specific collateral.

Weighted Average Maturity: The sum of the amount of each investment multiplied by the number of days to maturity, divided by the total amount of investments.

Yield: The rate of annual return on an investment, expressed as a percentage.

Yield to maturity takes into account the total of annual interest payments, the purchase price, the value at maturity, and the amount of time remaining until maturity.

Participation Summary

PERMANENT FACILITIES (Poway/Vista)

All Jurisdictions - Including N/C Universal Waste, E-Waste, Batteries and Sharps													
Only Loads													
CITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
Carlsbad	66	86	54	77	54	39	85	60	48	112	40	82	803
Del Mar	1	6	3	0	0	0	0	2	1	0	0	2	15
Encinitas	37	71	31	45	28	20	52	28	25	46	43	56	482
Escondido *	0	0	0	0	0	0	0	0	0	0	0	0	-
Poway	264	337	195	338	200	216	317	293	198	367	228	352	3,305
San Marcos	63	87	52	69	39	43	73	57	39	98	44	83	747
Solana Beach	4	2	4	3	4	2	5	3	4	6	4	4	45
Vista	213	311	187	232	171	142	279	211	158	276	154	274	2,608
E/U-Waste Only	129	230	135	199	133	184	220	163	107	206	108	150	1,964
Batteries Only	11	25	13	19	16	21	34	16	9	20	21	17	222
Sharps Only	15	18	14	25	9	14	17	18	12	29	18	16	205
Total	803	1,173	688	1,007	654	681	1,082	851	601	1,160	660	1,036	10,396

*Escondido participation at Poway/Vista facilities. Total participation on page 2.

HOME PICKUPS

All Jurisdictions - Including N/C Batteries and E-Waste Only						
	Seniors/HB	Co-Pay	Sharps/U-Waste		Batteries	
			Waste	Only	E-Waste Only	Monthly Total
Jul-15	83	64	6	0	8	161
Aug-15	76	57	7	0	4	144
Sep-15	64	46	8	0	8	126
Oct-15	62	35	2	0	4	103
Nov-15	35	24	3	0	2	64
Dec-15	52	25	4	0	4	85
Jan-16	45	22	4	0	5	76
Feb-16	53	22	3	0	4	82
Mar-16	63	33	1	0	5	102
Apr-16	74	30	3	0	3	110
May-16	82	29	2	0	4	117
Jun-16	60	23	5	0	2	90
Total	749	410	48	0	53	1,260

RSWA HHW Participation By Jurisdiction

	<u>Del Mar</u>		<u>Encinitas</u>		<u>Escondido*</u>		<u>National City**</u>		<u>Poway</u>		<u>Solana Beach</u>		<u>Vista</u>		<u>Total***</u>	
	PHHWC	Home P/U	PHHWC	Home P/U	V/P	Esc.	PHHWC	Home P/U	PHHWC	Home P/U	PHHWC	Home P/U	PHHWC	Home P/U	PHHWC	Home P/U
TOTAL FY12	24	56	730	410	17	1,976	159	0	2,928	1	83	178	2,683	43	8,600	688
TOTAL FY13	18	65	701	392	0	1,622	137	0	2,920	5	73	178	2,585	35	8,056	675
TOTAL FY14	15	46	524	397	0	1,484	84	0	2,916	2	74	157	2,493	59	7,590	661
TOTAL FY15	14	56	498	466	0	1,569	116	0	3,085	2	58	145	2,496	58	7,836	727
Jul-15	1	6	37	43	0	126	7	0	264	0	4	22	213	8	652	79
Aug-15	6	7	71	33	0	156	8	0	337	0	2	10	311	3	891	53
Sep-15	3	3	31	48	0	138	7	0	195	0	4	10	187	6	565	67
Oct-15	0	4	45	31	0	106	8	0	338	0	3	15	232	7	732	57
Nov-15	0	5	28	24	0	103	7	0	200	0	4	4	171	1	513	34
Dec-15	0	3	20	30	0	104	7	0	216	0	2	17	142	4	491	54
Jan-16	0	0	52	30	0	131	11	0	317	0	5	7	279	4	795	41
Feb-16	2	1	28	25	0	145	12	0	293	0	3	10	211	5	694	41
Mar-16	1	2	25	19	0	134	10	0	198	0	4	15	158	2	530	38
Apr-16	0	2	46	30	0	151	12	0	367	0	6	5	276	3	858	40
May-16	0	6	43	27	0	136	10	0	228	2	4	7	154	7	575	49
Jun-16	2	5	56	29	0	155	11	0	352	0	4	13	274	4	854	51
TOTAL FY16	15	44	482	369	0	1,585	110	0	3,305	2	45	135	2,608	54	8,150	604

* Escondido - V/P = Vista/Poway facilities, Esc. = Escondido facility

** National City residents utilize Chula Vista facility, \$5 co-pay (data provided by City of Chula Vista)

*** Total - PHHWC includes all permanent facility participation by RSWA member cities (including Escondido facility)

**RSWA HHW Program
Participation and
Volume Collected (lbs.)
(includes HHW from all participating jurisdictions)**

	<u>Poway</u>		<u>Vista</u>		<u>Door to Door</u>		<u>Total</u>	
	Residents	Volume	Residents	Volume	Residents	Volume	Residents	Volume
TOTAL FY12	4,687	115,816	6,663	452,260	1,093	80,364	12,443	648,440
Weight per Vehicle/Pickup	24.7	67.9	73.5	52.1				
TOTAL FY13	4,092	136,891	6,088	580,381	1,135	85,025	11,315	802,297
Weight per Vehicle/Pickup	33.5	95.3	74.9	70.9				
TOTAL FY14	4,360	192,608	5,457	436,735	1,113	116,972	10,930	746,315
Weight per Vehicle/Pickup	44.2	80.0	105.1	68.3				
TOTAL FY15	4,543	177,330	5,574	499,446	1,339	124,859	11,456	801,635
Weight per Vehicle/Pickup	39.0	89.6	93.2	70.0				
Jul-15	369	9,184	434	48,464	161	12,116	964	69,764
Aug-15	490	21,969	683	33,102	144	8,275	1,317	63,346
Sep-15	291	7,624	397	33,788	126	8,447	814	49,859
Oct-15	484	7,270	523	48,470	103	12,117	1,110	67,857
Nov-15	315	5,200	339	27,999	64	6,999	718	40,198
Dec-15	365	23,520	316	50,568	85	12,642	766	86,730
Jan-16	500	9,002	582	18,010	76	4,502	1,158	31,514
Feb-16	442	11,378	409	48,590	82	12,147	933	72,115
Mar-16	269	19,784	332	14,280	102	3,570	703	37,634
Apr-16	561	14,181	599	60,690	110	15,172	1,270	90,043
May-16	331	15,873	329	31,129	117	7,782	777	54,784
Jun-16	494	15,000	542	42,999	90	10,749	1,126	68,748
TOTAL FY16	4,911	159,985	5,485	458,089	1,260	114,518	11,656	732,592
Weight per Vehicle/Pickup	32.6	83.5	90.9	62.9				