

Regional Solid Waste Association

City of Del Mar
Dwight Worden

City of Encinitas
Catherine Blakespear

City of National City
Ron Morrison

City of Poway
Dave Grosch

City of Solana Beach
Kelly Harless

City of Vista
Joe Green

Special Contract Party
City of Escondido
Michael Morasco

General Manager/General Counsel
James H. Eggart

SPECIAL MEETING AGENDA

July 22, 2021
10:00 a.m.

Fletcher Cove Community Center
133 Pacific Avenue
Solana Beach, CA



REGIONAL SOLID WASTE ASSOCIATION

SPECIAL MEETING AGENDA

**July 22, 2021
10:00 a.m.**

VIA TELECONFERENCE / VIDEO CONFERENCE ONLY

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

Pursuant to the Governor Newsom's Executive Order N-08-21, and in the interest of public health, this meeting will be conducted utilizing teleconferencing and electronic means only. Due to the Executive Order to stay at home, there will be no in person participation at the Fletcher Cove Community Center. Members of the public may view and participate in this meeting via Zoom or by teleconference by using the link or telephone number below:

<https://zoom.us/j/98696640194?pwd=L2J4VkRXmVmZU9qRDdXUUUV4cUUzQT09>

Phone No.: (669) 900-6833

Meeting ID: 986 9664 0194

Passcode: 269461

ADDRESSING THE ASSOCIATION BOARD: If you wish to speak to an item on the agenda, please advise the moderator which agenda Item number you wish to speak to before that item has been announced by the Chair. To donate time to another person, advise the moderator of that fact. The person or persons donating time must be present on the teleconference or video conference when the speaker to whom they have donated time is heard. In order to provide an opportunity for public comment by members of the public who are unable to participate in the meeting by teleconference or electronic means, comments may be submitted via e-mail at james@rswa.info.

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 24 hours preceding the meeting, shall be made available for public inspection on the Regional Solid Waste Association website at <http://rswa.info>. Additional information is available through the General Manager to the Association at (714) 415-1062.

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

2. ORAL COMMUNICATIONS

This item is scheduled to provide an opportunity for public testimony on matters on this Agenda.

3. **TRANSFER OF FIDUCIARY AGENT RESPONSIBILITY AND TREASURER/CONTROLLER FUNCTIONS OF RSWA TO THE CITY OF NATIONAL CITY AND DELEGATION OF INVESTMENT AUTHORITY TO CITY OFFICIALS – ACTION ITEM**

The Board will review the City of National City's adopted Investment Policy and consider adoption of a Resolution authorizing the City of National City to serve as RSWA's Fiduciary Agent and to perform the duties of Treasurer/Controller for RSWA, authorizing National City to pool RSWA's funds with those of the City for investment purposes, and delegating authority to the appropriate City officials to invest RSWA's funds in accordance with the City's Investment Policy and applicable California law.

Recommended Action: Adopt Resolution No. 2021-04, A Resolution of the Board of Directors of the Regional Solid Waste Association Authorizing the City of National City to Serve as the Association's Fiduciary Agent and to Perform the Duties of Treasurer/Controller for the Association, Rescinding Resolution No. 2021-02, and Delegating Authority to the Appropriate National City Officials to Invest the Association's Funds in Accordance with the City's Adopted Investment Policy.

4. **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.

5. **ADJOURNMENT**

Adjournment to the regular meeting of October 7, 2021 at 9:00 a.m. at the Fletcher Cove Community Center, 133 Pacific Avenue, Solana Beach, CA.

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

**July 22, 2021
10:00 a.m.**

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133 Pacific Avenue
Solana Beach, CA**

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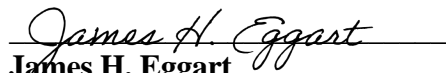
<https://zoom.us/j/98696640194?pwd=L2J4VkRXUmVmZU9qRDdXUUV4cUUzQT09>

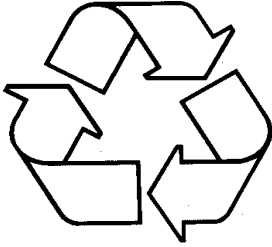
**Phone No.: (669) 900-6833
Meeting ID: 986 9664 0194
Passcode: 269461**

In accordance with the requirements of California Government Code Section 54956, pursuant to which a special meeting has been called by the Board Chairman, and 54954.3(a), this Notice and the Agenda has been posted on the Regional Solid Waste website at <http://rswa.info>, at Fletcher Cove Community Center, 133 Pacific Avenue, Solana Beach, CA and at Solana Beach City Hall, 635 South Highway 101, Solana Beach, CA not less than 24 hours prior to the meeting date and time above.

In compliance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, please contact the Association's General Manager, James Eggart, at (714) 415-1062 prior to 5:00 p.m. the day 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 special meeting of the Regional Solid Waste Association for July 22, 2021 in the locations listed above which are freely accessible to the public at or prior to 10:00 a.m. on July 21, 2021.


James H. Eggart
General Manager
Regional Solid Waste Association



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: Transfer of RSWA Treasurer / Controller Functions to National City
Date: July 22, 2021

BACKGROUND

Since 2010, the City of Vista has served as RSWA's Fiduciary Agent. The City of Vista has given notice that it wishes to transition these functions to another RSWA Member City.

At the June 24, 2021 Board meeting, it was reported that discussions had taken place with the City of National City to assume these duties, but that National City could not do so by the beginning of the new Fiscal Year on July 1, 2021, and that the City of Vista had therefore agreed to continue to provide the services for Fiscal Year 2021/2022 provided that (1) another Member City agrees to assume the responsibility no later than July 1, 2022; (2) RSWA pays Vista \$10,000 to partially offset the City's costs to provide the services for Fiscal Year 2021/2022; and (3) RSWA pays Vista an additional \$2,000 to offset additional costs associated with assisting with transition of the responsibilities to the next Member City.

The RSWA Joint Powers Agreement permits the Board to contract with one of the RSWA Member Cities to perform the functions of RSWA's Treasurer/Controller pursuant to Government Code Sections 6505 and 6505.5. At its June 24, 2021 meeting, the RSWA Board accepted the recommendation of the ad hoc subcommittee and adopted Resolution No. 2021-01, which established a Policy providing for rotation of the RSWA Treasurer/Controller functions amongst the RSWA Cities every five (5) years and the payment of stipends for performance of these services and for assisting with the transition of the functions to the next City. The Policy contemplates that National City will assume the Treasurer / Controller responsibilities beginning on July 1, 2022, but permits it to do so earlier upon agreement of the affected Cities and approval by the Board.

At the June 24, 2021 meeting, the Board also adopted Resolution No. 2021-02 adopting a Revised Statement of Investment Policy for RSWA that

incorporated changes made to the City of Vista's investment policy, and delegating investment authority to Vista for the 2021/2022 Fiscal Year.

DISCUSSION

Following the June 24, 2021 Board meeting, the General Manager and Vista's Finance Director had further discussions with Vista's auditors and National City's City Manager and new Administrative Services Director regarding the transition. National City advised Vista and RSWA that it would prefer to take over responsibility as soon as possible and not wait until July 1, 2022. The City of Vista is agreeable to this, and the two Cities are targeting July 30, 2021 for the transfer of RSWA's financial assets to National City (pending the Board's approval). RSWA's (and Vista's) current auditor does not believe this will be a significant issue from an auditing standpoint, since the transfer would be occurring less than one month into the fiscal year and limited transactions have occurred.

If the Board approves the proposed action, National City would take over the Treasurer/Controller functions for RSWA immediately upon transfer of RSWA's funds from Vista to National City. These functions include, without limitation:

- depositing, holding and investing the RSWA's funds;
- paying the RSWA's financial obligations;
- accounting;
- coordinating payroll services (for Board Member stipends) with an outside vendor;
- preparing quarterly financial reports to the Board;
- contracting for outside auditing services on behalf of the RSWA; and
- preparing the annual RSWA financial statements and coordinating the annual audit with the outside auditors.

Vista's auditors would complete the financial audit for RSWA for Fiscal Year 2020/2021, with the City of Vista's assistance. It is contemplated that National City's auditors will assume responsibility for auditing RSWA's books for Fiscal Year 2021/2022.

With Vista's blessing, National City will be paid the entire \$10,000 stipend for Fiscal Year 2021/2022. As approved by the Board on June 24th, Vista will be paid a stipend in the amount of \$2,000 to assist with transition to National City and the completion of the Fiscal Year 2020/2021 audit.

Investment of RSWA's Funds

The City of Vista currently pools RSWA's funds with its own for investment purposes. Accordingly, RSWA has historically adopted an Investment Policy that substantively mirrors Vista's investment policy and annually delegated investment authority to the Vista Treasurer / Finance Director consistent with that policy. However, since National City will have custody of RSWA's funds and will be performing the functions of RSWA's Treasurer and pooling

RSWA's funds with its own, it would be permissible for the Board to delegate authority to National City to invest RSWA's funds in accordance with National City's adopted investment policy. National City's current investment policy is attached to this Report. It complies with State law and is similar to Vista's and RSWA's current investment policies.

Both Cities' investment policies prioritize safety of principal, provide that the investment portfolio will remain sufficiently liquid to meet all reasonably anticipated operating requirements, and seek to obtain at least a market rate of return. In addition, both Cities' policies establish internal controls and third-party safekeeping requirements designed to protect funds and incorporate the "prudent investor" standard. Both Cities' investment policies also require them to be reviewed at least annually to ensure consistency with the overall objectives of preservation of principal, liquidity, and return and relevance to financial and economic trends.

The types of authorized investments and related portfolio / single-issuer limits for each type of investment are similar under both policies, with a few minor differences. Substantive differences include the following:

- *Banker's Acceptances*: National City's policy permits investment in banker's acceptances, while Vista's policy does not. A banker's acceptance is a time draft drawn on and accepted by a bank (like a post-dated check, but guaranteed by a bank). Banker's acceptances can also be short-term debt instruments, similar to U.S. Treasury bills, that trade at a discount to face value in the money markets. National City's policy limits investment in banker's acceptances to instruments with maturities of 180 days or less issued by institutions with short term debt obligations rated "A1" or higher and long-term debt obligations rated "A" or higher. In addition, no more than 40% of the City's total portfolio may be invested in banker's acceptances and no more than 5% per issuer.
- *State and Local Agency Bonds*: National City's policy has a 30% portfolio limit and a 5% single issuer limit. Vista's policy has a 20% portfolio limit and a 4% single issuer limit.
- *Federally Insured Time Deposits (Non-negotiable Certificates of Deposit)*: Vista's policy imposes certain rating and collateralization requirements that National City's policy does not have and includes a 10% portfolio limit. National City's policy does not contain a specific limit on the percentage of the portfolio that may be invested in non-negotiable certificates of deposits, but places a 5 year maturity limit on such deposits.
- *Certificate of Deposit Placement Services (CDARS)*: National City's portfolio limit for this type of investment is 30%, while Vista's is 15%. National City also requires maturity in 5 years or less.

- *Commercial Paper*: The issuer requirements are similar under both Cities' policies, but National City allows up to 25% of the portfolio to be invested in Commercial Paper, while Vista's portfolio limit is 15%. Both Cities have a single-issuer limit of 5%.
- *Local Government Investment Pools (such as the San Diego County Investment Pool)*: National City's policy does not contain a limit on the amount the City can invest in the San Diego County investment pool, while Vista's policy imposes a 25% portfolio limit on this type of investment.
- *Mortgage Pass-Through Securities / Asset Backed Securities*: Both Cities' policies limit investment in this type of security to no more than 20% of the total portfolio; but, Vista's policy also limits the amount invested with any one issuer to 3% or less, while the single-issuer limit for National City's policy is 5%. In addition, National City's policy requires a "AA" rating, while Vista's policy requires a "AAA" rating.
- *Money Market Funds*. Both Cities' policies impose similar issuer requirements, but Vista's policy includes an additional requirement that limits investments in money market funds that seek to maintain a stable net asset value.
- *U.S. Instrumentalities / Supranationals*: Both Cities limit investment in this type of security to no more than 30% of the total portfolio; but, National City also limits investment in any single issuer to 10% of the portfolio (Vista's policy does not have a single-issuer limit).

The proposed Resolution provides for delegation of authority to the appropriate National City officials to pool RSWA's funds with the City's for investment purposes and invest RSWA's funds in a manner consistent with the City's adopted investment policy and state law. The proposed Resolution also requires that the City's investment policy be brought before the Board at least annually for review in order to ensure that it continues to meet the Board's objectives for return, safety, and liquidity.

Proposed Resolution

Proposed Resolution No. 2021-04 is attached to this Report. The proposed Resolution would do the following:

- Authorize National City to serve as RSWA's Fiduciary Agent and to perform the duties of Treasurer/Controller for RSWA, effective upon transfer of RSWA's financial assets from Vista to National City.
- Formally relieve Vista of these responsibilities; provided that Vista shall continue to provide those services necessary to facilitate transition of the Treasurer/Controller functions to National City and to be responsible for contracting for and assisting with completion of the RSWA audit for the 2020-2021 Fiscal Year.

- Authorize payment of a \$10,000 stipend to National City and a \$2,000 stipend to Vista the 2021-2022 Fiscal Year.
- Rescind Resolution No. 2021-02 and the RSWA Statement of Investment Policy.
- Authorize National City to pool RSWA's funds with those of National City for investment purposes, and delegate investment authority to the National City Treasurer, Director of Finance, Financial Services Officer, and/or Administrative Services Director, as appropriate, in accordance with the National City Investment Policy and applicable California law. This delegation of authority would continue until revoked, rescinded, or modified by the Board.
- Provide for Board review of the National City Investment Policy and delegation of investment authority to National City at least annually.
- Provide for the General Manager and RSWA Treasurer to oversee the cash management, investment, and other activities performed by National City on behalf of RSWA and require faithful performance of all delegated administrative duties.
- Authorize the RSWA General Manager to take all actions and execute all documents or contracts necessary or appropriate to implement the Resolution.

RECOMMENDATION

It is recommended that the Board adopt Resolution No. 2021-04 Authorizing the City of National City to Serve as the Association's Fiduciary Agent and to Perform the Duties of Treasurer/Controller for the Association, Rescinding Resolution No. 2021-02, and Delegating Authority to the Appropriate National City Officials to Invest the Association's Funds in Accordance with the City's Adopted Investment Policy.

FINANCIAL IMPACT

None. The \$12,000 in stipend payments for FY 2021/2022 have already been budgeted and approved. Changes in future investment rate of return are too speculative to determine, but are not anticipated to be significant.

ATTACHMENTS

Current National City Investment Policy
Resolution No. 2021-04

CITY COUNCIL POLICY

CITY OF NATIONAL CITY

TITLE: Investments	POLICY #203
ADOPTED: October 23, 1990	AMENDED: August 18, 2020

I. INTRODUCTION

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

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

II. SCOPE

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

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

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

III. GENERAL OBJECTIVES

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

1. *Safety*: Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.
2. *Liquidity*: The investment portfolio will remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
3. *Return*: The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints for safety and liquidity needs.

IV. PRUDENCE, INDEMNIFICATION, AND ETHICS

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

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

- B. *Indemnification*: The Director of Finance or City Manager designee hereinafter designated as Financial Services Officer and other authorized persons responsible for managing City funds, acting in accordance with written procedures and the Investment Policy and exercising due diligence, will be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported within 30 days and appropriate action is taken to control adverse developments.
- C. *Ethics*: Officers and employees involved in the investment process will refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

V. DELEGATION OF AUTHORITY

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

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

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

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

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

- A. The City's Director of Finance and/or Financial Services Officer will determine which financial institutions are authorized to provide investment services to the City. Institutions eligible to transact investment business with the City include:
1. Primary government dealers as designated by the Federal Reserve Bank;
 2. Nationally or state-chartered banks;
 3. The Federal Reserve Bank; and
 4. Direct issuers of securities eligible for purchase.
- B. Selection of financial institutions and broker/dealers authorized to engage in transactions with the City will be at the sole discretion of the City.

- C. All financial institutions which desire to become qualified bidders for investment transactions (and which are not dealing only with the investment adviser) must supply the Director of Finance and/or Financial Services Officer with a statement certifying that the institution has reviewed California Government Code Section 53600 *et seq.* and the City's Investment Policy.
- D. Selection of broker/dealers used by an external investment adviser retained by the City will be at the sole discretion of the investment adviser.
- E. Public deposits will be made only in qualified public depositories as established by State law. Deposits will be insured by the Federal Deposit Insurance Corporation, or, to the extent the amount exceeds the insured maximum, will be collateralized in accordance with State law.

VII. DELIVERY, SAFEKEEPING AND CUSTODY, AND COMPETITIVE TRANSACTIONS

- A. *Delivery-versus-payment*: Settlement of all investment transactions will be completed using standard delivery-vs.-payment procedures.
- B. *Third-party safekeeping*: To protect against potential losses by collapse of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all securities owned by the City will be held in safekeeping by a third party bank custodian, acting as agent for the City under the terms of a custody agreement executed by the bank and the City.
- C. *Competitive transactions*: All investment transactions will be conducted on a competitive basis which can be executed through a bidding process involving at least three separate brokers/financial institutions or through the use of a nationally recognized trading platform.

VIII. AUTHORIZED AND SUITABLE INVESTMENTS

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

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

- a. Are rated in the category of “A” or better by at least two nationally recognized statistical rating organizations; and
 - b. No more than 5% per issuer.
 - c. No more than 30% of the total portfolio may be invested in municipal bonds.
2. **US Treasury** and other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest. There are no limits on the dollar amount or percentage that the City may invest in US Treasuries.
3. **Federal Agency or United States government-sponsored enterprise obligations, participations, or other instruments**, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There are no limits on the dollar amount or percentage that the City may invest in government-sponsored enterprises.
4. **Banker’s acceptances**, provided that:
 - a. They are issued by institutions with short term debt obligations rated “A1” or higher, or the equivalent, by at least two nationally recognized statistical-rating organization (NRSRO); and have long-term debt obligations which are rated “A” or higher by at least two nationally recognized statistical rating organization;
 - b. The maturity does not exceed 180 days; and
 - c. No more than 40% of the total portfolio may be invested in banker’s acceptances and no more than 5% per issuer.
5. **Federally insured time deposits** (Non-negotiable certificates of deposit) in state or federally chartered banks, savings and loans, or credit unions, provided that:
 - a. The amount per institution is limited to the maximum covered under federal insurance; and
 - b. The maturity of such deposits does not exceed 5 years.

6. Certificate of Deposit Placement Service (CDARS)

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

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

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

8. Commercial paper, provided that:

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

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

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

10. Local government investment pools.

- a. San Diego County Investment Pool

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

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

12. Mortgage pass-through securities and asset-backed securities, provided that such securities:

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

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

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

- b. Purchase of securities authorized by this subdivision may not exceed 20% of the portfolio.

14. Supranationals, provided that:

- a. Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.
- b. The securities are rated in a category of “AA” or higher by a NRSRO.
- c. No more than 30% of the total portfolio may be invested in these securities.
- d. No more than 10% of the portfolio may be invested in any single issuer.
- e. The maximum maturity does not exceed five (5) years.

IX. PORTFOLIO RISK MANAGEMENT

A. The following are prohibited investment vehicles and practices:

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

B. Mitigating credit risk in the portfolio

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

1. The diversification requirements included in Section IX are designed to mitigate credit risk in the portfolio;
2. No more than 5% of the total portfolio may be invested in securities of any single issuer, except as noted in Section VIII of this Investment Policy;
3. The City may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity, or yield of the portfolio in response to market conditions or the City's risk preferences; and
4. If securities owned by the City are downgraded by either Moody's or S&P to a level below the quality required by this Investment Policy, it will be the City's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.
 - a. If a security is downgraded, the Director of Finance and/or Financial Services Officer will use discretion in determining whether to sell or hold the security based on its current maturity, the economic outlook for the issuer, and other relevant factors.
 - b. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the City Council.

C. Mitigating market risk in the portfolio

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

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

X. INVESTMENT OBJECTIVES (PERFORMANCE STANDARDS AND EVALUATION)

- A. **Overall objective:** The investment portfolio will be designed with the overall objective of obtaining a total rate of return throughout economic cycles, commensurate with investment risk constraints and cash flow needs.
- B. **Specific objective:** The investment performance objective for the portfolio will be to earn a total rate of return over a market cycle which is approximately equal to the return on the Market Benchmark Index as described in the City’s investment procedures manual.

XI. PROCEDURES AND INTERNAL CONTROLS

- A. **Procedures:** The Director of Finance and/or Financial Services Officer will establish written investment policy procedures in a separate investment procedures manual to assist investment staff with day-to-day operations of the investment program consistent with this policy. Such procedures will include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance and/or Financial Services Officer.
- B. **Internal Controls:** The Director of Finance and/or Financial Services Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The internal control structure will be designed to provide reasonable assurance that these objectives are met. Internal controls will be described in the City’s investment procedures manual.

XII. REPORTING AND REVIEW

- A. **Monthly reports:** The Director of Finance and/or Financial Services Officer must submit a monthly report to the legislative body accounting for transactions made during the reporting period.
- B. **Quarterly reports:** Quarterly investment reports will be submitted by the Director of Finance and/or Financial Services Officer to the City Council, at an agenda meeting. Consistent with the requirements contained in California Government Code Section 53646, information in the quarterly investment reports shall include, but not be limited to, the following:
1. Type of investment
 2. Name of issuer and/or financial institution
 3. Date of purchase
 4. Date of maturity
 5. Current market value for all securities
 6. Rate of interest
 7. Purchase price of investment
 8. Other data as required by the City
- C. **Annual policy review:** The Investment Policy will be reviewed at least annually and, as necessary, adopted, to ensure its consistency with the overall objectives of preservation of principal, liquidity, and return, and its relevance to current law and financial and economic trends.

Related Policy References

California Government Code Sections: 16429.1 – 16429.4, and 53600 – 53686

Investment Company Act of 1940

Investment Advisers Act of 1940

Securities and Exchange Commission Rule #15C3-1

Appendix I attached: “Authorized Personnel”

Appendix II attached: “Glossary of Investment Terms”

TITLE: Investments

POLICY #203

ADOPTED: October 23, 1990

AMENDED: August 18, 2020

Prior Policy Amendments

November 20, 2018

October 17, 2017

December 6, 2016

December 15, 2015

December 16, 2014

December 10, 2013

January 10, 2012

FINAL

Appendix I

Authorized Personnel

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

City Manager
Assistant City Manager
Director of Finance
Financial Services Officer

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Appendix II

GLOSSARY OF INVESTMENT TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Callable. A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline since an issuer issues securities, it will likely call its current securities and reissue them at a lower rate of interest. Callable securities have reinvestment risk as the investor may receive its principal back when interest rates are lower than when the investment was initially made.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Duration. The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates. (See modified duration).

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

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

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

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

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

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

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

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

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

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

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

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

Maturity. The final date upon which the principal of a security becomes due and payable.

Medium term notes. Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts either on a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

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

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

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

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

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

Nationally Recognized Statistical Rating Organization (NRSRO). A credit rating agency the United States Securities and Exchange Commission uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments,

especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

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

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

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

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

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

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

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

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

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

Short Term. Less than one (1) year's time.

Structured note. A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

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

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

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

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

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

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

Value. Principal plus accrued interest.

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

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

FINAL

Resolution No. 2021-04

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Ron Morrison, Chairman
Regional Solid Waste Association

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

By: _____