

WMA Board, Energy Council, & Planning Committee & Recycling Board

Francisco Zermeño, City of Hayward

WMA President, EC 2nd Vice President

Tracy Jensen, City of Alameda, **WMA 1st Vice President**

Dave Sadoff, Castro Valley Sanitary District, **WMA 2nd Vice President**

Michael Hannon, City of Newark, **EC President**

David Mourra, City of Emeryville, **EC 1st Vice President**

Jeff Wang, City of Union City, **RB President**

Grace Liao, Source Reduction Specialist, **RB 1st Vice President**

Fred Simon, City of San Leandro, **RB 2nd Vice President**

David Haubert, County of Alameda, WMA, EC

Jennifer Hansen-Romero, City of Albany, WMA, EC

Susan Wengraf, City of Berkeley, WMA, EC

Jean Josey, City of Dublin, WMA, EC

Yang Shao, City of Fremont, WMA, EC

Bob Carling, City of Livermore, WMA, EC

Dan Kalb, City of Oakland, WMA, EC

Shelia Young, Oro Loma Sanitary District, WMA

Jen Cavanaugh, City of Piedmont, WMA, EC

Jack Balch, City of Pleasanton, WMA, EC

Virginia Harrington, Solid Waste Industry Representative

Laura McKaughan, Recycling Materials Processing Industry

Ellen McClure, Environmental Educator

Elaine Owyang, Environmental Organization

Vacant, Recycling Programs

Timothy Burroughs, Executive Director

AGENDA

**JOINT MEETING OF THE
ALAMEDA COUNTY WASTE MANAGEMENT
AUTHORITY BOARD (WMA),
THE ENERGY COUNCIL (EC)
AND
THE PLANNING COMMITTEE AND RECYCLING
BOARD (PC&RB)**

WEDNESDAY, NOVEMBER 20, 2024

3:00 P.M.

***IN PERSON MEETING LOCATION:*
STOPWASTE BOARD ROOM
1537 WEBSTER STREET, OAKLAND, CA**

This meeting will be conducted in a hybrid model with both in-person attendance and Teleconference participation:

- Teleconference location #1: 118 Glashauss Loop, Emeryville, CA
- Teleconference location #2: Scott Haggerty Heritage House, 4501 Pleasanton Ave, Pleasanton, CA
- Teleconference location #3: David W. Smith City Hall, 37101 Newark Blvd., Conf. Rm #5, Newark, CA
- Teleconference location #4: 3300 Capitol Ave. Building A, Fremont, CA
- Teleconference location #5: Dublin City Hall, 100 Civic Plaza, Dublin CA
- Teleconference location #6: 806 Pierce Street, Albany, CA
- Teleconference location #7: Heron Bay Regatta Park, 2296 Regatta Way, San Leandro, CA
- Teleconference location #8: 1534 Ashby Ave., Berkeley, CA
- Teleconference location #9: 40087 Mission Blvd #361, Fremont, CA

Members of the public may attend in person at the Board Room, or the addresses listed above or by:

1. Calling US+1 669 900 6833 and using the Webinar ID 846 8298 0123
2. Using the [Zoom](#) website or App and entering meeting code 846 8298 0123

During the meeting the chair will explain the process for members of the public to be recognized to offer public comment. The process will be described on the StopWaste website at <http://www.stopwaste.org/virtual-meetings> no later than noon, Wednesday, November 20, 2024.

The public may also comment by sending an e-mail to publiccomment@stopwaste.org. Written public comment will be accepted until 3:00 p.m. on the day prior to the scheduled meeting. Copies of all written comments submitted by the deadline above will be provided to each Board Member and will be added to the official record. Comments will not be read into the record.

In accordance with the Americans with Disabilities Act, if you need assistance to participate in this meeting due to a disability, please contact the Clerk of the Board at (510) 891-6517. Notification 24 hours prior to the meeting will enable the agency to make reasonable arrangements to ensure accessibility to this meeting.

AGENDA

I. CALL TO ORDER

II. ROLL CALL OF ATTENDANCE

III. ANNOUNCEMENTS BY PRESIDENTS - *(Members are asked to please advise the Board or the Council if you might need to leave before action items are completed.)*

IV. OPEN PUBLIC DISCUSSION FROM THE FLOOR

An opportunity is provided for any member of the public wishing to speak on any matter within the jurisdiction of the Boards or Council, but not listed on the agenda.

V. CONSENT CALENDAR - The Consent Calendar contains routine items of business. Items in this section will be acted on in one motion for both the WMA & EC, unless removed by a member of either Board. Members of the WMA who are not members of the EC will vote as part of the consent calendar vote, but their votes will not be considered in connection with any EC items. Members of the RB will vote on their items separately. Any member of the public may speak on an item on the Consent Calendar at this time. Public Speakers are limited to three (3) minutes.

Page

1 1. **Approval of the Draft WMA & EC Minutes of October 23, 2024 (WMA & EC)**

5 2. **Approval of the Draft PC & RB Minutes of October 10, 2024 (PC&RB)**

7 3. **RB Board Attendance Record (PC&RB)**

9 4. **Written Ex Parte Communication (PC&RB)**

VI. REGULAR CALENDAR

11 1. **StopWaste Agency Investment Policy (Pat Cabrera, Jennifer Luong, and Kyle Bander)**
Staff recommends the following:

1. The WMA Board adopt a resolution adopting the revised investment policy which includes oversight of RB and EC funds per the attached resolution.
2. The RB adopt a resolution adopting by reference the WMA's revised investment policy.
3. The EC adopt a resolution adopting by reference the WMA's revised investment policy.

39 2. **SB 1383/ORRO Implementation Update (Rachel Balsley, Cassie Bartholomew, and Kelly Schoonmaker)**

This item is for information only.

3. **Interim appointment(s) to the Recycling Board for WMA appointee unable to attend future Board Meeting(s) (Arliss Dunn)**

(The meeting of the Planning Committee & Recycling Board will be held on Thursday, December 12, 2024 at 6:00 p.m., at StopWaste, 1537 Webster Street, Oakland, CA)

VII. MEMBER COMMENTS AND COMMUNICATIONS FROM THE EXECUTIVE DIRECTOR

- Arthur Boone Resolution
- Board Member Recognitions

VIII. **ADJOURNMENT TO- WMA & EC MEETING ON DECEMBER 18, 2024 AT 3:00 P.M.**
PC&RB MEETING ON DECEMBER 12, 2024 AT 6:00 P.M.

DRAFT

**MINUTES OF THE MEETING OF THE
ALAMEDA COUNTY WASTE MANAGEMENT
AUTHORITY BOARD (WMA)**

AND

THE ENERGY COUNCIL (EC)

Wednesday, October 23, 2024

3:00 P.M.

IN PERSON MEETING LOCATION:
STOPWASTE BOARD ROOM
1537 WEBSTER STREET, OAKLAND, CA

I. CALL TO ORDER

President Zermeño called the meeting to order at 3:00 p.m. Timothy Burroughs explained the process that would be utilized during the meeting. A link to the process is available here: [Virtual-Meetings- Instructions.](#)

II. ROLL CALL OF ATTENDANCE

WMA & EC

County of Alameda	David Haubert, WMA, EC
City of Alameda	Tracy Jensen, WMA, EC
City of Albany	Jennifer Hansen-Romero, WMA, EC
City of Berkeley	Susan Wengraf, WMA, EC
Castro Valley Sanitary District	Danny Akagi, WMA (alternate)
City of Dublin	Jean Josey, WMA, EC
City of Emeryville	David Mourra, WMA, EC
City of Fremont	Scott Sakakihara, WMA, EC (alternate)
City of Hayward	Francisco Zermeño, WMA, EC (WMA President)
City of Livermore	Bob Carling, WMA, EC
City of Newark	Mike Hannon, WMA, EC (EC President)
City of Oakland	Dan Kalb, WMA, EC
Oro Loma Sanitary District	Shelia Young, WMA
City of Piedmont	Jen Cavanaugh, WMA, EC
City of Pleasanton	Jack Balch, WMA, EC
City of San Leandro	Fred Simon, WMA, EC
City of Union City	Jeff Wang, WMA, EC

Staff Participating

Timothy Burroughs, Executive Director
Pat Cabrera, Administrative Services Director
Alma Freeman, Communications Manager
Justin Lehrer, Operations Manager
Kelly Schoonmaker, Senior Program Manager
Jennifer West, Program Manager
Arliss Dunn, Clerk of the Board
Richard Taylor, WMA Legal Counsel

Others Participating

John Bliss, SCI Consulting Group
Priscilla Quiroz, Shaw Yoder Antwih Schmelzer & Lange

III. ANNOUNCEMENTS BY PRESIDENTS

Board member Young announced that Arthur Boone passed away and that she would pass along information regarding his memorial services. The Board directed staff to draft a resolution to honor his memory and his contributions to the environmental field.

IV. OPEN PUBLIC DISCUSSION FROM THE FLOOR

There were no public comments.

V. CONSENT CALENDAR

1. Approval of the Draft WMA & EC Minutes of September 25, 2024

There were no public comments for the Consent Calendar. Board member Young moved approval of the Consent Calendar for the WMA & EC, and Board member Jensen seconded.

The Clerk called the roll: WMA Vote: 20-0 EC Vote: 20-0

(Ayes: Akagi, Balch, Carling, Cavanaugh, Hannon, Hansen-Romero, Haubert, Jensen, Josey, Kalb, Mourra, Sakakihara, Simon, Wang, Wengraf, Young, Zermeño. Nays: None. Abstained: None. Absent: None.)

VI. REGULAR CALENDAR

1. Revenue Stabilization Recommendation (Timothy Burroughs and Pat Cabrera)

Staff recommends that the WMA Board approve the next phase of revenue stabilization research, which includes conducting a regulatory fee study to assess projects eligible for a regulatory fee and to calculate potential rates and revenue, and conducting opinion research to gather input on Agency programs and services and to inform next steps.

Timothy Burroughs introduced the item, and Pat Cabrera provided an overview of the staff report. John Bliss, SCI Consulting, was present to provide input. A link to the staff report and the presentation is available here: [CalRecycle-Grant-Acceptance-Memo.pdf](#). Additional time was provided to the board for discussion and clarifying questions. An audio link to the discussion is available here: [Revenue-Stabilization-Discussion](#).

There were no public comments on this item. Board members expressed appreciation to staff for being proactive and stated their support for moving on to the next phase of research and input gathering related to revenue stabilization efforts.

Board member Carling moved approval of the staff recommendation, and Board member Cavanaugh seconded. The motion carried 20-0. The Clerk called the roll:

(Ayes: Akagi, Balch, Carling, Cavanaugh, Hannon, Hansen-Romero, Haubert, Jensen, Josey, Kalb, Mourra, Sakakihara, Simon, Wang, Wengraf, Young, Zermeño. Nays: None. Abstained: None. Absent: None.)

2. Addressing SB 1383 Procurement Requirements: AB 2346 Update (Kelly Schoonmaker and Jennifer West)

This item is for information only.

Timothy Burroughs introduced the item and Kelly Schoonmaker and Jennifer West provided an overview of the staff report. A link to the report is available here: [AB 2346-Update-Memo.pdf](#). Additional time was provided to the Board for discussion and for clarifying questions. An audio link to the discussion is available here: [AB 2346-Update-Discussion](#).

There were no public comments on this item. President Zermeño thanked staff for the update.

3. 2024 Legislative Year-End Report (Jennifer West)

This item is for information only.

Timothy Burroughs introduced the item. Jennifer West provided an update on 2024 Legislative Year-End Report. Priscilla Quiroz, Agency Lobbyist, was present to provide input. A link to the staff report is available here: [Legislative-Year-End-Report-Memo.pdf](#).

Additional time was provided to the Board for discussion and for clarifying questions. An audio link is available here: [Legislative-Year-End-Report-Discussion](#). There were no public comments on this item. President Zermeño thanked staff for the update.

4. Reappointment to the Recycling Board – Board member Jensen (Timothy Burroughs)

That the Waste Management Authority Board reappoint Board member Jensen to a two-year term on the Recycling Board ending November 13, 2026.

Timothy Burroughs introduced the item. There were no public comments on this item. Board member Young moved approval of the staff recommendation. Board member Kalb seconded, and the motion carried 17-0. The Clerk called the roll:

(Ayes: Akagi, Balch, Carling, Cavanaugh, Hannon, Jensen, Josey, Kalb, Mourra, Sakakihara, Simon, Wang, Wengraf, Young, Zermeño. Nays: None. Abstained: None. Absent: Hansen-Romero, Haubert.)

5. Interim appointment(s) to the Recycling Board for WMA appointee unable to attend future Board Meeting(s) (Arliss Dunn) (WMA only)

(The joint meeting of the WMA Board, Energy Council, and the Planning Committee & Recycling Board will be held on Wednesday, November 20, 2024 at 3:00 p.m., at StopWaste, 1537 Webster St., Oakland, CA)

There were no requests for an interim appointment.

VII. MEMBER COMMENTS AND COMMUNICATIONS FROM THE EXECUTIVE DIRECTOR

Mr. Burroughs announced the monthly topic brief, which highlights key takeaways from the waste characterization study. A link to the topic brief is available [here](#). Staff will prepare a resolution honoring Arthur Boone.

**VIII. ADJOURNMENT – TO JOINT WMA, EC, AND PC&RB MEETING ON NOVEMBER 20, 2024
AT 3:00 P.M.**

The meeting adjourned in memory of Arthur Boone at 4:48 p.m.

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DRAFT

**MINUTES OF THE REGULAR MEETING OF THE
PLANNING COMMITTEE
AND
ALAMEDA COUNTY RECYCLING BOARD**

Thursday, October 10, 2024

4:00 P.M.

IN PERSON MEETING LOCATION:
STOPWASTE BOARD ROOM
1537 WEBSTER STREET, OAKLAND, CA

I. CALL TO ORDER

First Vice President Liao called the meeting to order at 4:00 p.m. Timothy Burroughs explained the meeting process being utilized during the meeting. A link to the process is available here: [Virtual-Meetings-Instructions.](#)

II. ROLL CALL OF ATTENDANCE

Mike Hannon, ACWMA
Tracy Jensen, ACWMA
Grace Liao, Source Reduction Specialist (First Vice President)
Ellen McClure, Environmental Educator
Laura McKaughan, Recycling Materials Processing Industry
David Mourra, ACWMA
Elaine Owyang, Environmental Organization
Fred Simon, ACWMA
Shelia Young, ACWMA (interim)
Vacant, Recycling Programs

Absent:

Virginia Harrington, Solid Waste Industry Representative

Staff Present:

Timothy Burroughs, Executive Director
Alma Freeman, Communications Manager
Emily Alvarez, Management Analyst
Shasta Phillips, Program Manager
Arielle Conway, Program Manager
Angelina Vergara, Program Manager
Arliss Dunn, Clerk of the Board
Farand Kan, Deputy County Counsel

III. ANNOUNCEMENTS BY THE PRESIDENT

There were none. Timothy Burroughs welcomed Elaine Owyang to the Recycling Board as the new Environmental Organization representative. Board member Owyang provided a brief overview of her background and experience.

IV. OPEN PUBLIC COMMENT

There were none.

V. CONSENT CALENDAR

- 1. Approval of the Draft PC & RB Minutes of August 8, 2024 and September 12, 2024**
- 2. Board Attendance Record – August 8, 2024 and September 12, 2024**
- 3. Written Report of Ex Parte Communications**

There were no public comments for the Consent Calendar. Board member McKaughan moved for approval of the Consent Calendar. Board member Hannon seconded, and the motion carried 8-0-1. The Clerk called the roll:

(Ayes: Hannon, Jensen, Liao, McClure, McKaughan, Mourra, Owyang, Simon. Nays: None. Abstain: Young. Absent: Harrington).

VI. REGULAR CALENDAR

- 1. 2023-24 Waste Characterization Study Overview (Emily Alvarez)**

This item is for information only.

Timothy Burroughs introduced the item and Emily Alvarez provided an update on the Agency’s Waste Characterization Study. The study identified predominant materials in the waste stream and changes in composition over time and will be used by StopWaste and member agencies to refine programs and track progress toward the long-term goal of landfill obsolescence and upstream waste prevention. A link to the staff report and PowerPoint presentation is available here: [WCS-Update.pdf](#). Additional time was provided to the Board for discussion and for clarifying questions. An audio link to the discussion is available here: [WCS-Update-Discussion](#).

There were no public comments for this item. Vice President Liao thanked Ms. Alvarez for a very informative presentation.

- 2. StopWaste School Challenges – Transforming School Cafeterias (Arielle Conway)**

This item is for information only.

Timothy Burroughs introduced the item and Arielle Conway provided an update on school programs with a focus on StopWaste Schools Challenges, a program that aims to transform school cafeterias to reduce waste to landfill, prevent wasted food, and empower students to be environmental stewards. A link to the staff report and PowerPoint presentation is available here: [StopWaste-Schools-Overview.pdf](#). Additional time was provided to the Board for discussion and for clarifying questions. An audio link to the discussion is available here: [StopWaste-Schools-Overview-Discussion](#).

Vice President Liao thanked Ms. Conway and Ms. Vergara for an exciting and informative presentation.

VII. MEMBER COMMENTS AND COMMUNICATIONS FROM THE EXECUTIVE DIRECTOR

Mayor Hannon announced that StopWaste hosted a sorting activity at the biannual Science in the Park event to demonstrate the importance of proper recycling. The cities of Fremont, Newark, Hayward and Union City held a friendly competition. Science in the Park granted the winner, Newark, \$5,000 and each participating school district \$1,000. Mayor Hannon thanked StopWaste staff for hosting a fun and informative event.

VIII. ADJOURNMENT – TO JOINT WMA, EC, AND PC&RB MEETING – NOVEMBER 20, 2024 AT 3:00 P.M.

The meeting adjourned at 5:10 p.m.

2024 - ALAMEDA COUNTY RECYCLING BOARD ATTENDANCE

	J	F	M	A	M	J	J	A	S	O	N	D
REGULAR MEMBERS												
M. Hannon								X	X	X		
V. Harrington										A		
E. Havel	X	A	X	A	X							
D. Hoover	X	X	X	X	A	X	X					
T. Jensen	X	X	X	X	X	X	X	X	X	X		
D. Kalb	X	X	I	X	X	X						
C. Lee	X	A	X	X	X	X	X	X	X			
G. Liao	X	X	X	X	X	X	X	X	A	X		
E. McClure								X	X	X		
L. McKaughan	X	X	X	A	X	X	A	X	X	X		
D. Mourra	X	X	X	X	X	X	X	X	X	X		
F. Simon	X	X	X	X	X	X	X	X	X	X		
J. Wang	X	X	X	X	A	X	X	A	X	I		
T. Wise	X	A										
INTERIM APPOINTEES												
S. Young			X							X		

Measure D: Subsection 64.130, F: Recycling Board members shall attend at least three fourths (3/4) of the regular meetings within a given calendar year. At such time, as a member has been absent from more than one fourth (1/4) of the regular meetings in a calendar year, or from two (2) consecutive such meetings, her or his seat on the Recycling Board shall be considered vacant.

X=Attended

A=Absent

I=Absent - Interim Appointed

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DATE: November 20, 2024
TO: Recycling Board
FROM: Timothy Burroughs, Executive Director
SUBJECT: Written Reports of Ex Parte Communications

BACKGROUND

Section 64.130 (Q)(1)(b) of the Alameda County Charter requires that full written disclosure of ex parte communications be entered in the Recycling Board's official record. At the June 19, 1991 meeting of the Recycling Board, the Board approved the recommendation of Legal Counsel that such reports be placed on the consent calendar as a way of entering them into the Board's official record. The Board at that time also requested that staff develop a standard form for the reporting of such communications. A standard form for the reporting of ex parte communications has since been developed and distributed to Board members.

At the December 9, 1999 meeting of the Recycling Board, the Board adopted the following language:

Ex parte communication report forms should be submitted only for ex parte communications that are made after the matter has been put on the Recycling Board's agenda, giving as much public notice as possible.

Per the previously adopted policy, all such reports received will be placed on the consent calendar of the next regularly scheduled Recycling Board meeting.

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DATE: November 20, 2024

TO: Waste Management Authority (WMA) Board
Recycling Board (RB)
Energy Council (EC)

FROM: Pat Cabrera, Administrative Services Director
Jennifer Luong, Financial Services Manager
Kyle Bander, Management Analyst

SUBJECT: StopWaste Agency Investment Policy

SUMMARY

At the November 20, 2024, meeting, the Waste Management Authority (WMA) Board, Energy Council (EC), and Recycling Board (RB) will consider adoption of a revised StopWaste Agency investment policy. The proposed revision includes adding another pooled investment fund to the Agency’s portfolio of investment products available and consolidating the policy into one document applicable to all three of the Agency’s Boards – the WMA, EC, and RB.

DISCUSSION

The WMA and RB investment policies were last revised in 2011 (see attachments A and B). The two policies are identical save for one exception – the Local Authority Investment Fund (LAIF) is not included in the RB policy. The EC’s investments are managed in accordance with the WMA’s policy pursuant to an MOU between the WMA and the EC. The WMA administers the RB’s investment policy pursuant to a similar MOU. Because it has been some time since the investment policies were last reviewed, staff felt it prudent to conduct a review and determine if any changes should be recommended.

Investment policies are intended to help ensure that an agency remains in compliance with state law requiring that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the primary objective shall be to safeguard the principal of the funds. The secondary objective shall be to meet the liquidity needs of the depositor, and the third objective shall be to achieve a return on the funds. (California Government Code section 53600.5.)

The current policies allow for a variety of investment vehicles, and the Agency’s Financial Services Manager, who also serves as the Agency’s Treasurer, has discretion to invest funds not needed for immediate disbursement into the Alameda County’s Investment Pool and, for the WMA and EC, LAIF (which is administered by the State of California). The Financial Services Manager arranges transfers from these funds to commercial banking institutions for normal business operations such as payroll, vendor payments, etc. All other investment types require WMA and/or RB Board approval.

The Agency maintains a trust account administered by CalPERS to manage post-retirement medical costs. The trust account has an annualized net rate of return of 6.98% over the past 16

years (03/13/2008 and 06/30/2024), the proceeds of which have been sufficient to cover these costs over several budget cycles. This account was approved by the WMA Board in 2007.

LAIF's average annual yield for FY 2024 totaled 3.9%. The County's Investment Pool earned an average annual yield for FY 2024 totaling 3.7%. Both funds are safe and very liquid; LAIF withdrawals can be made within one business day. County withdrawals can be made within one week (five business days).

The Agency's total interest income for FY 2024 was \$1,715,683.00. Of this amount, \$1,018,507.00 was allocated to discretionary funds. These yields are expected to decrease as interest rates decline. However, LAIF and the County Investment Pool have provided the Agency with easy to manage, no risk investment revenue. As Agency resources decline and until revenue is stabilized, liquidity will become a higher priority and, as such, investing in long-term securities would not be prudent at this time.

Survey of Member Agencies

Staff conducted additional research to assess whether there are higher yield investment products that meet Agency needs. Research included a survey of Member Agencies and other similar regional agencies to learn how these entities manage their investment portfolios. Twenty-three agencies were surveyed with a 70% response rate. Respondents were asked a range of questions pertaining to the composition of their investment portfolios and if they utilize an outside firm to manage their investments.

Of the 10 cities that responded to the survey, half utilize one of two outside investment firms to manage their portfolios. The two firms used are Chandler Asset Management and PFM Asset Management, both of whom specialize in public sector financial management. These cities have a comparably larger fund balance to invest, and therefore have added a wider range of investment vehicles to their portfolios. The portfolios focus primarily on US Treasury and Federal obligations, certificate of deposits, corporate notes, and other fixed interest products. Most cities are also invested in LAIF with an average portfolio allocation of 25%.

Given the large variation in portfolio value among Member Agencies, the Agency focused its comparison on special district agencies that have a similar amount of investable available funds (approximately \$21 million). These agencies' portfolios are heavily allocated to safe, highly liquid investments. An average of 73% of their investable funds are allocated to LAIF with the remaining amount made up of County Investment Pools, certificate of deposits, and the high liquidity funds of CalTrust or the California Asset Management Program (CAMP). This portfolio composition is very much in line with how the Agency has allocated its portfolio given its amount of available funds.

Following the survey, staff met with both Chandler Asset Management and PFM Asset Management to determine if hiring a dedicated investment firm would be a prudent option going forward. Given the amount of the Agency's available funds, both firms determined that the Agency did not have an appropriate level of funds available to materially benefit from such a relationship. Both firms reported that new clients must have a minimum portfolio value ranging from \$30 million to \$45 million. This determination falls in line with what was reported in the survey by similarly sized agencies.

During the meeting with PFM Asset Management, it was suggested that the Agency could benefit from adding CAMP to its list of eligible investments. CAMP provides several tiers of funds that focus on liquidity and fixed-interest vehicles that the Agency could deem appropriate to include in its investment portfolio. CAMP offers different self-directed funds to utilize based on several factors such as liquidity, yield, risk tolerance, and portfolio value. The proposed amended investment policy includes the addition of CAMP to the list of eligible investments, which would provide the Agency with a full range of investment vehicles to consider as the need arises. However, staff recommends that a decision as to when to invest in CAMP occur only after the Agency has

stabilized core revenues and that it require Board approval; this recommendation is reflected in the proposed policy.

Proposed Investment Policy

The attached investment policy retains the provisions of the earlier investment policy except that it lists CAMP as a possible future investment vehicle subject to Board approval, authorizes use of LAIF for the RB, simplifies and consolidates procedures for deposits and withdrawals from LAIF and the Alameda County Investment Pool, and includes other minor changes for clarity.

Both the Recycling Board and the Energy Council have a Memorandum of Understanding (MOU) with the Waste Management Authority. In both MOUs the Waste Management Authority is responsible for all administrative operations; this includes overseeing investment policy. The Energy Council already operates under this arrangement with respect to the investment policy, and in the interest of operational efficiency, staff recommends that the WMA, RB, and EC Boards adopt the same investment policy.

RECOMMENDATION

Staff recommends the following:

1. The WMA Board adopt a resolution adopting the revised investment policy which includes oversight of RB and EC funds per the attached resolution.
2. The RB adopt a resolution adopting by reference the WMA's revised investment policy.
3. The EC adopt a resolution adopting by reference the WMA's revised investment policy.

Attachments:

Attachment A:	Current WMA Policy
Attachment B:	Current RB Policy
Attachment C:	Proposed Policy
Attachment D:	Proposed Policy redline
Attachment E:	WMA resolution adopting the revised policy
Attachment F:	RB resolution adopting the revised policy under the WMA's oversight
Attachment G:	EC resolution adopting the revised underlying policy under the WMA's oversight

ATTACHMENT A

ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY INVESTMENT POLICY (Approved 6/22/2011)

PURPOSE

The purpose of this investment policy of Alameda County Waste Management Authority (Authority) is to establish objectives and procedures for the prudent investment of Authority funds. To the extent possible, the Authority will invest in financial instruments which encourage source reduction and recycling while discouraging non-sustainable uses of natural resources.

SCOPE

The investment policy applies to all sources of Authority cash including but not limited to those listed below:

- Facility fees and Mitigation fees
- Wind revenue
- Other property related revenues
- Grant monies and other external funds
- Interest revenue
- Other revenue

GENERAL OBJECTIVES

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield. (*Reference: Government Code § 53600.5*)

- *Safety*
The Safety and risk related to an investment refers to the potential loss of principal, interest or a combination thereof. Investment shall be made in a manner that ensures the preservation of capital, with the aim of mitigating credit and interest rate risk. Credit risk refers to the risk of loss due to the failure of the issuer or backer of a security to fulfill its obligations to the holder of the investment. Interest rate risk is defined as the risk of market value fluctuations due to overall changes in the general level of interest rates.
- *Liquidity*
The investment portfolio shall remain sufficiently liquid to enable the Authority to meet its cash flow requirements.
- *Yield*
Yield, sometimes described as interest income and the rate of return, is the potential dollar earnings an investment can provide. With safety and liquidity objectives being uppermost, a yield at or above the average market rate of return shall be sought whenever possible.

PRUDENCE

Generally, investments shall be made in the context of the "prudent investor standard" (*Reference: Government Code § 53600.3*) which states:

“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. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

Officers acting in accordance with written procedures and the investment policy and exercising due diligence shall 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.

SAFEKEEPING OF SECURITIES

To protect against potential losses by collapse of individual securities dealers, all securities owned by the Authority (including collateral on repurchase agreements), shall be held in its respective name in safekeeping by a third party bank trust department. Said trust department shall act as agent for the Authority pursuant to a custody agreement between the bank and the Authority. The custodian shall provide safekeeping receipts of all securities held. (*Reference: Government Code § 53608*)

QUALIFIED DEALERS

Investments as authorized pursuant to Section 53601 or 53601.1, not purchased directly from the issuer, shall be purchased either from an institution licensed by the state as a broker-dealer, as defined in Section 25004 of the Corporations Code, or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a savings association or federal association (as defined by Section 5102 of the Financial Code) or from a brokerage firm designated as a primary government dealer by the Federal Reserve bank. The Chief Finance Officer shall investigate dealers wishing to do business with the Authority and determine if they are adequately capitalized, deal in securities appropriate to the Authority's needs, and are recommended by managers of portfolios similar to the Authority's. (*Reference: Government Code § 53601.5*)

All financial institutions and securities dealers who desire to engage in investment transactions with the Authority shall submit a written certification that the supervising officer has reviewed the Authority'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 Authority. Employers of any financial institution offering securities or investments to the Authority shall be trained in the precautions appropriate to public sector investments and shall be required to certify that they have read and understand the Authority's investment policy.

DELEGATION OF AUTHORITY

The Joint Exercise of Powers Agreement for Waste Management (JPA) that created the Authority specifies that the Authority's Finance Officer shall serve the combined functions of treasurer and auditor. The Authority's Finance Officer is referred to in this policy as "Chief Finance Officer" and/or "Treasurer".

The California Government Code authorizes the legislative body of a local agency to delegate various responsibilities for the investment, reinvestment, exchange, deposit and safekeeping of the local agency's funds to the treasurer of the local agency. The Authority Board has made such delegations, which will be subject to periodic review in connection with adoption of the Authority's budget. The treasurer shall be bonded as required by State law. With respect to the investment, reinvestment and exchange of funds, the Chief Finance Officer is limited to the authorized investments as set forth in this policy. (*Reference: Government Code §§ 6505.1, 6505.5, 6505.6, 53600 et.) Seq., 53607, 53608, 53630 et.) seq.*)

REPORTING

The Chief Finance Officer shall verify and report in writing on the first day of July, October, January, and April of each year to the Authority Board Members (and through them to the Authority's Member Agencies) the amount of money he or she holds for the Authority, the amount of receipts since his or her last report, and the amount paid out since his or her last report. (*Reference, JPA § 9(e)*) The Chief Finance Officer shall issue other reports to the Board as required by law. (*Reference Government Code §§ 53607, 53646, 6505.5(e)*)

AUDIT & INTERNAL CONTROL

The Chief Finance Officer shall establish an annual process of independent review of the accounts and records of the Authority by an external auditor. The audit shall be conducted by a certified public accountant or public accountant in compliance with the requirements of state law and generally accepted auditing standards. As mandated by the JPA, the minimum requirements of the audit shall comply with sections 26909 and 6505 of the Government Code. This review will provide internal control by assuring compliance with policies and procedures (*Reference: Government Code §§ 6505 & 26909, JPA § 9(f)*)

ETHICS AND CONFLICT OF INTEREST

Officers and employees involved in the investment process, including the Chief Finance Officer, shall refrain from personal business activities that could conflict with the proper execution of the investment program or which impair their ability to make impartial investment decisions. Employees and investment officials who manage the investment of public funds must file an annual Statement of Economic Interests (Form 700) with the Fair Political Practices Commission (FPPC) and comply fully with the FPPC's regulations to avoid conflicts of interest. (*Reference: Government Code § 87200*)

SEPARATION OF FUNDS

Separate accounts or the means to separately track the balances of these funding sources shall be established as necessary. These sources include Facility fees, Mitigation fees, and all other Authority revenues or assets requiring separate accounts or funds.

Interest earned and collected from investments shall be allocated monthly to these established accounts based on the cash balance in each fund consistent with generally accepted accounting principles.

AUTHORIZED INVESTMENTS

The following investments are authorized:

Local Authority Investment Fund (LAIF) of the State of California (*Reference: Government Code §§ 16429.1 et. seq*)

Funds may be invested in LAIF up to the maximum amount allowed by state law. LAIF is a diversified investment pool administered by the State of California Treasurer's investment staff. Participation in LAIF allows the Authority to be part of a major portfolio that invests millions of dollars to earn the maximum rate of return consistent with safe and prudent treasury management.

Pursuant to Board Resolution WMA 2010-11 the Authority Board authorized the deposit and withdrawal of Authority monies in the Local Authority Investment Fund in accordance with the provisions of Sections 16429.1 et. seq of the Government Code for the purpose of investment. The Board further authorized the following officers or their successors to deposit and/or withdraw monies in the Local Authority Investment Fund (LAIF):

President of the Board
Vice President
2nd Vice President
Secretary (Executive Director)

Alameda County's Investment Pool

Funds may be invested in the Alameda County Investment Pool up to the maximum amount allowed by state law. This pool is administered by the County Treasurer. Participation in the pool affords the Authority the opportunity to be part of a large investment portfolio managed by the County Treasurer's Office investment staff

The Executive Director shall delegate to the Chief Finance Officer, who serves as the Authority's Treasurer or in his/her absence a suitable designee, the authority to deposit and/or withdraw monies in the Local Authority Investment Fund (LAIF) of the State of California and the Alameda County Investment Pool as these pools are generally used to fund normal operations. This includes transfers in and out of designated bank accounts for payroll and vendor payments. Board approval is required prior to the acquisition of any other investment or investment type.

The Chief Finance Officer shall establish and/or maintain procedures for deposit, withdrawals and reconciliation of all accounts. The Chief Finance Officer shall also ensure that the investment portfolio and all related transactions are balanced to the general ledger on a monthly basis.

OTHER INVESTMENTS

Other investments including but not limited to those listed below may be eligible with prior Authority Board approval.

United States Treasury Bills, Bonds and Notes, or those instruments for which the full faith and credit of the United States are pledged for payment of principal and interest. (*Reference: Government Code Section 53601(b)*).

Obligations issued by the United States Government Agencies. These investment types include 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 (*Reference: Government Code 53601(f)*)

Banker's Acceptances. Banker's acceptances are otherwise known as a bill of exchange or time drafts drawn on and accepted by a commercial bank. (*Reference: Government Code Section 53601(g)*).

Commercial paper. This investment type is a short-term, unsecured promissory note of prime quality, issued by financial and non-financial companies to raise short-term cash. (*Reference: Government Code Section 53601(h)*)

Medium Term Notes (MTNs). This investment type consists of MTNs issued by corporations operating within the United States. MTNs eligible for purchase shall be rated "A" or better by a nationally recognized rating service. (*Reference: Government Code Section 53601(k)*).

Repurchase Agreements (repos). Repurchase agreements are agreements between the local entity and the seller for the local entity to purchase government securities to be resold back to the seller at a specific date and for a specific amount. The market value of securities that underlay a

repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities. (*Reference: Government Code Section 53601(j)*).

Time Deposits (CDs). These investments consist of fully insured or collateralized nonnegotiable time certificates of deposit issued by a national or state chartered bank or federal savings and loan in California. Deposits per transactions will be up to the amount insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration (*Reference: Government Code Section 53601.8*)

Money Market Accounts. These investments consists of shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).(*Reference: Government Code 53601(l)(2)*)

COLLATERALIZATION

Collateralization of securities will be in accordance with state law and as specified in this investment policy. (*Reference: Government Code §§ 53652, 53656 & 53658*)

POLICY REVIEW

This policy may be subject to periodic review. Any revisions, deletions or additions to this policy will require Authority Board approval.

INVESTMENT STRATEGY

The Authority shall continue to deposit funds in LAIF and the County Pool as outlined above. Any other investments will be approved in advance by the Board.

ATTACHMENT B

ALAMEDA COUNTY SOURCE REDUCTION AND RECYCLING BOARD INVESTMENT POLICY

(Adopted June 9, 2011)

PURPOSE

The purpose of this investment policy of Alameda County Source Reduction and Recycling Board (RB) is to establish objectives and procedures for the prudent investment of Authority funds. To the extent possible, the RB will invest in financial instruments which encourage source reduction and recycling while discouraging non-sustainable uses of natural resources.

SCOPE

The investment policy applies to all sources of RB cash including but not limited to those listed below:

- Measure D fees
- Revolving Loan Fund repayments
- Interest revenue
- Other revenue

GENERAL OBJECTIVES

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield. (Reference: Government Code § 53600.5)

- *Safety*
The Safety and risk related to an investment refers to the potential loss of principal, interest or a combination thereof. Investment shall be made in a manner that ensures the preservation of capital, with the aim of mitigating credit and interest rate risk. Credit risk refers to the risk of loss due to the failure of the issuer or backer of a security to fulfill its obligations to the holder of the investment. Interest rate risk is defined as the risk of market value fluctuations due to overall changes in the general level of interest rates.
- *Liquidity*
The investment portfolio shall remain sufficiently liquid to enable the RB to meet its cash flow requirements.
- *Yield*
Yield, sometimes described as interest income and the rate of return, is the potential dollar earnings an investment can provide. With safety and liquidity objectives being uppermost, a yield at or above the average market rate of return shall be sought whenever possible.

PRUDENCE

Generally, investments shall be made in the context of the "prudent investor standard" (Reference: Government Code § 53600.3) which states:

“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. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

Officers acting in accordance with written procedures and the investment policy and exercising due diligence shall 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.

SAFEKEEPING OF SECURITIES

To protect against potential losses by collapse of individual securities dealers, all securities owned by the RB (including collateral on repurchase agreements), shall be held in its respective name in safekeeping by a third party bank trust department. Said trust department shall act as agent for the RB pursuant to a custody agreement between the bank and the RB. The custodian shall provide safekeeping receipts of all securities held. (*Reference: Government Code § 53608*)

QUALIFIED DEALERS

Investments as authorized pursuant to Section 53601 or 53601.1, not purchased directly from the issuer, shall be purchased either from an institution licensed by the state as a broker-dealer, as defined in Section 25004 of the Corporations Code, or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a savings association or federal association (as defined by Section 5102 of the Financial Code) or from a brokerage firm designated as a primary government dealer by the Federal Reserve bank. The Chief Finance Officer shall investigate dealers wishing to do business with the RB and determine if they are adequately capitalized, deal in securities appropriate to the RB's needs, and are recommended by managers of portfolios similar to the RB's. (*Reference: Government Code § 53601.5*)

All financial institutions and securities dealers who desire to engage in investment transactions with the RB shall submit a written certification that the supervising officer has reviewed the RB'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 RB. Employers of any financial institution offering securities or investments to the RB shall be trained in the precautions appropriate to public sector investments and shall be required to certify that they have read and understand the RB's investment policy.

DELEGATION OF AUTHORITY

Consistent with the terms set forth in the Memorandum of Understanding (MOU) between the Alameda County Waste Management Authority (Authority) and the Recycling Board (section 7) and to avoid unnecessary administrative duplication, fiscal management shall be conducted under the purview of the designated Treasurer in accordance with state law, the Joint Powers Agreement (JPA) creating the Authority and Authority policies. The JPA specifies that the Authority's Finance Officer shall serve the combined functions of treasurer and auditor and as such serves as the RB's treasurer. The Finance Officer is referred to in this policy as "Chief Finance Officer" and/or "Treasurer".

The California Government Code authorizes the legislative body of a local agency to delegate various responsibilities for the investment, reinvestment, exchange, deposit and safekeeping of the local agency's funds to the treasurer of the local agency. In as much as the Authority Board has made such delegations, which will be subject to periodic review in connection with adoption of the Authority's budget, that delegation will remain in effect with respect to RB fiscal activities. The treasurer shall be bonded as required by State law. With respect to the investment, reinvestment and exchange of funds, the Chief Finance Officer is limited to the authorized investments as set forth in this policy. (*Reference: Government Code §§ 6505.1, 6505.5, 6505.6, 53600 et. seq., 53607, 53608, 53630 et) seq)*

REPORTING The Chief Finance Officer shall verify and report in writing on the first day of July, October, January, and April of each year to the RB members the amount of money he or she holds for

the RB, the amount of receipts since his or her last report, and the amount paid out since his or her last report. (*Reference, JPA § 9(e)*) The Chief Finance Officer shall issue other reports to the Board as required by law. (*Reference Government Code §§ 53607, 53646, 6505.5(e)*)

AUDIT & INTERNAL CONTROL

The Chief Finance Officer shall establish an annual process of independent review of the accounts and records of the RB by an external auditor. The audit shall be conducted by a certified public accountant or public accountant in compliance with the requirements of state law and generally accepted auditing standards. As mandated by the JPA, the minimum requirements of the audit shall comply with sections 26909 and 6505 of the Government Code. This review will provide internal control by assuring compliance with policies and procedures (*Reference: Government Code §§ 6505 & 26909, JPA § 9(f)*)

ETHICS AND CONFLICT OF INTEREST

Officers and employees involved in the investment process, including the Chief Finance Officer, shall refrain from personal business activities that could conflict with the proper execution of the investment program or which impair their ability to make impartial investment decisions. Employees and investment officials who manage the investment of public funds must file an annual Statement of Economic Interests (Form 700) with the Fair Political Practices Commission (FPPC) and comply fully with the FPPC's regulations to avoid conflicts of interest. (*Reference: Government Code § 87200*)

SEPARATION OF FUNDS

Separate accounts or the means to separately track the balances of these funding sources shall be established as necessary. These sources include the Measure D fees, RLF loan repayments and all other RB revenues or assets requiring separate accounts or funds.

Interest earned and collected from investments shall be allocated monthly to these established accounts based on the cash balance in each fund consistent with generally accepted accounting principles.

AUTHORIZED INVESTMENTS

The following investments are authorized:

Alameda County's Investment Pool

Funds may be invested in the Alameda County Investment Pool up to the maximum amount allowed by state law. This pool is administered by the County Treasurer. Participation in the pool affords the RB the opportunity to be part of a large investment portfolio managed by the County Treasurer's Office investment staff.

The Executive Director shall delegate to the Chief Finance Officer or in his/her absence a suitable designee, the authority to deposit and/or withdraw monies in the Alameda County Investment Pool to fund normal operations. This includes transfers in and out of designated bank accounts for payroll and vendor payments. Board approval is required prior to the acquisition of any other investment or investment type.

The Chief Finance Officer shall establish and/or maintain procedures for deposit, withdrawals and reconciliation of all accounts. The Chief Finance Officer shall also ensure that the investment portfolio and all related transactions are balanced to the general ledger on a monthly basis.

OTHER INVESTMENTS

Other investments including but not limited to those listed below may be eligible with prior RB approval.

Local Authority Investment Fund (LAIF) of the State of California (*Reference: Government Code §§ 16429.1 et. seq*)

LAIF is a diversified investment pool administered by the State of California Treasurer's investment staff. Participation in LAIF allows participants to be part of a major portfolio that invests millions of dollars to earn the maximum rate of return consistent with safe and prudent treasury management.

United States Treasury Bills, Bonds and Notes, or those instruments for which the full faith and credit of the United States are pledged for payment of principal and interest. (*Reference: Government Code Section 53601(b)*).

Obligations issued by the United States Government Agencies. These investment types include 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 (*Reference: Government Code 53601(f)*)

Banker's Acceptances. Banker's acceptances are otherwise known as a bill of exchange or time drafts drawn on and accepted by a commercial bank. (*Reference: Government Code Section 53601(g)*).

Commercial paper. This investment type is a short-term, unsecured promissory note of prime quality issued by financial and non-financial companies to raise short-term cash. (*Reference: Government Code Section 53601(h)*)

Medium Term Notes (MTNs). This investment type consists of MTNs issued by corporations operating within the United States. MTNs eligible for purchase shall be rated "A" or better by a nationally recognized rating service. (*Reference: Government Code Section 53601(k)*).

Repurchase Agreements (repos). Repurchase agreements are agreements between the local entity and the seller for the local entity to purchase government securities to be resold back to the seller at a specific date and for a specific amount. The market value of securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities. (*Reference: Government Code Section 53601(j)*).

Time Deposits (CDs). These investments consist of fully insured or collateralized nonnegotiable time certificates of deposit issued by a national or state chartered bank or federal savings and loan in California. Deposits per transactions will be up to the amount insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration (*Reference: Government Code Section 53601.8*)

Money Market Accounts. These investments consists of shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).(*Reference: Government Code 53601(l)(2)*)

COLLATERALIZATION

Collateralization of securities will be in accordance with state law and as specified in this investment policy. (*Reference: Government Code §§ 53652, 53656 & 53658*)

POLICY REVIEW

This policy may be subject to periodic review. Any revisions, deletions or additions to this policy will require RB approval

CURRENT INVESTMENT STRATEGY

The RB shall continue to deposit funds in the County Investment Pool as outlined above. Any other investments will be approved in advance by the Board.

ATTACHMENT C

ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY INVESTMENT POLICY Includes Recycling Board and Energy Council Investment Funds

PURPOSE

The purpose of this investment policy of Alameda County Waste Management Authority (WMA) is to establish objectives and procedures for the prudent investment of WMA, Recycling Board (RB) and Energy Council (EC) funds. To the extent possible, the WMA will invest in financial instruments which encourage source reduction and recycling while discouraging non-sustainable uses of natural resources.

SCOPE

The investment policy applies to all sources of Agency cash including but not limited to those listed below:

- Facility fees and Mitigation fees
- Wind revenue
- Other property related revenues
- Grant monies and other external funds
- Interest revenue
- Measure D fees
- Other revenue

GENERAL OBJECTIVES

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield. (*Reference: Government Code § 53600.5*)

- *Safety*
The Safety and risk related to an investment refers to the potential loss of principal, interest or a combination thereof. Investment shall be made in a manner that ensures the preservation of capital, with the aim of mitigating credit and interest rate risk. Credit risk refers to the risk of loss due to the failure of the issuer or backer of a security to fulfill its obligations to the holder of the investment. Interest rate risk is defined as the risk of market value fluctuations due to overall changes in the general level of interest rates.
- *Liquidity*
The investment portfolio shall remain sufficiently liquid to enable the WMA to meet its cash flow requirements.
- *Yield*
Yield, sometimes described as interest income and the rate of return, is the potential dollar earnings an investment can provide. With safety and liquidity objectives being

uppermost, a yield at or above the average market rate of return shall be sought whenever possible.

PRUDENCE

Generally, investments shall be made in the context of the "prudent investor standard" (*Reference: Government Code § 53600.3*) which states:

“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. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

Officers acting in accordance with written procedures and the investment policy and exercising due diligence shall 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.

SAFEKEEPING OF SECURITIES

To protect against potential losses by collapse of individual securities dealers, all securities owned by the WMA (including collateral on repurchase agreements), shall be held in its respective name in safekeeping by a third-party bank trust department. Said trust department shall act as agent for the WMA pursuant to a custody agreement between the bank and the WMA. The custodian shall provide safekeeping receipts of all securities held. (*Reference: Government Code § 53608*)

QUALIFIED DEALERS

Investments as authorized pursuant to Section 53601 or 53601.1, not purchased directly from the issuer, shall be purchased either from an institution licensed by the state as a broker-dealer, as defined in Section 25004 of the Corporations Code, or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a savings association or federal association (as defined by Section 5102 of the Financial Code) or from a brokerage firm designated as a primary government dealer by the Federal Reserve bank. The Financial Services Manager shall investigate dealers wishing to do business with the WMA and determine if they are adequately capitalized, deal in securities appropriate to the WMA's needs, and are recommended by managers of portfolios similar to the WMA's. (*Reference: Government Code § 53601.5*)

All financial institutions and securities dealers who desire to engage in investment transactions with the WMA shall submit a written certification that the supervising officer has reviewed the WMA'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 WMA. Employers of any financial institution offering securities or investments to the WMA shall be trained in the

precautions appropriate to public sector investments and shall be required to certify that they have read and understand the WMA's investment policy.

DELEGATION OF AUTHORITY

The Joint Exercise of Powers Agreement for Waste Management (JPA) that created the WMA specifies that the WMA's Finance Officer shall serve the combined functions of treasurer and auditor. The WMA's Finance Officer is referred to in this policy as "Financial Services Manager" and/or "Treasurer".

The California Government Code authorizes the legislative body of a local agency to delegate various responsibilities for the investment, reinvestment, exchange, deposit and safekeeping of the local agency's funds to the treasurer of the local agency. The WMA Board has made such delegations, which will be subject to periodic review in connection with adoption of the WMA's budget. The treasurer shall be bonded as required by State law. With respect to the investment, reinvestment and exchange of funds, the Financial Services Manager is limited to the authorized investments as set forth in this policy. (*Reference: Government Code §§ 6505.1, 6505.5, 6505.6, 53600 et.*)

REPORTING

The Financial Services Manager shall verify and report in writing on the first day of July, October, January, and April of each year to the WMA Board Members (and through them to the WMA's Member Agencies) the amount of money he or she holds for the WMA, the amount of receipts since the last report, and the amount paid out since the last report. (*Reference, JPA § 9(e)*) The Financial Services Manager shall issue other reports to the Board as required by law. (*Reference Government Code §§ 53607, 53646, 6505.5(e)*)

AUDIT & INTERNAL CONTROL

The Financial Services Manager shall establish an annual process of independent review of the accounts and records of the WMA by an external auditor. The audit shall be conducted by a certified public accountant or public accountant in compliance with the requirements of state law and generally accepted auditing standards. As mandated by the JPA, the minimum requirements of the audit shall comply with sections 26909 and 6505 of the Government Code. This review will provide internal control by assuring compliance with policies and procedures (*Reference: Government Code §§ 6505 & 26909, JPA § 9(f)*)

ETHICS AND CONFLICT OF INTEREST

Officers and employees involved in the investment process, including the Financial Services Manager, shall refrain from personal business activities that could conflict with the proper execution of the investment program or which impair their ability to make impartial investment decisions. Employees and investment officials who manage the investment of public funds must file an annual Statement of Economic Interests (Form 700) with the Fair Political Practices Commission (FPPC) and comply fully with the FPPC's regulations to avoid conflicts of interest. (*Reference: Government Code § 87200*)

SEPARATION OF FUNDS

Separate accounts or the means to separately track the balances of these funding sources shall be established as necessary. These sources include Facility fees, Mitigation fees, Measure D and all other Agency revenues or assets requiring separate accounts or funds.

Interest earned and collected from investments shall be allocated monthly to these established accounts based on the cash balance in each fund consistent with generally accepted accounting principles.

AUTHORIZED INVESTMENTS

The following investments are authorized:

Local Authority Investment Fund (LAIF) of the State of California (*Reference: Government Code §§ 16429.1 et. seq*)

Funds may be invested in LAIF up to the maximum amount allowed by state law. LAIF is a diversified investment pool administered by the State of California Treasurer's investment staff. Participation in LAIF allows the WMA to be part of a major portfolio that invests millions of dollars to earn the maximum rate of return consistent with safe and prudent treasury management.

Alameda County's Investment Pool

Funds may be invested in the Alameda County Investment Pool up to the maximum amount allowed by state law. This pool is administered by the County Treasurer. Participation in the pool affords the WMA the opportunity to be part of a large investment portfolio managed by the County Treasurer's Office investment staff.

The Executive Director is authorized to deposit and/or withdraw monies in the Local Authority Investment Fund (LAIF) of the State of California and the Alameda County Investment Pool as these pools are generally used to fund normal operations. This includes transfers in and out of designated bank accounts for payroll and vendor payments. The Executive Director is further authorized to delegate to the Financial Services Manager, who serves as the WMA's Treasurer, or in their absence a suitable designee, the authority granted above. Board approval is required prior to the acquisition of any other investment or investment type.

The Financial Services Manager shall establish and/or maintain procedures for deposit, withdrawals and reconciliation of all accounts. The Financial Services Manager shall also ensure that the investment portfolio and all related transactions are balanced to the general ledger on a monthly basis.

OTHER INVESTMENTS

Other investments including but not limited to those listed below may be eligible with prior WMA Board approval.

United States Treasury Bills, Bonds and Notes, or those instruments for which the full faith and credit of the United States are pledged for payment of principal and interest. (*Reference: Government Code Section 53601(b)*)

Obligations issued by United States Government Agencies. These investment types include 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. *(Reference: Government Code 53601(f))*

Banker's Acceptances. Bankers' acceptances are otherwise known as a bill of exchange or time drafts drawn on and accepted by a commercial bank. *(Reference: Government Code Section 53601(g))*

Commercial paper. This investment type is a short-term, unsecured promissory note of prime quality issued by financial and non-financial companies to raise short-term cash. *(Reference: Government Code Section 53601(h))*

Medium Term Notes (MTNs). This investment type consists of MTNs issued by corporations operating within the United States. MTNs eligible for purchase shall be rated "A" or better by a nationally recognized rating service. *(Reference: Government Code Section 53601(k))*

Repurchase Agreements (repos). Repurchase agreements are agreements between the local entity and the seller for the local entity to purchase government securities to be resold back to the seller at a specific date and for a specific amount. The market value of securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities. *(Reference: Government Code Section 53601(j))*

Time Deposits (CDs). These investments consist of fully insured or collateralized nonnegotiable time certificates of deposit issued by a national or state chartered bank or federal savings and loan in California. Deposits per transaction will be up to the amount insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration. *(Reference: Government Code Section 53601.8)*

Money Market Accounts. These investments consists of shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.). *(Reference: Government Code 53601(l)(2))*

Shares of a Joint Powers Authority i.e., the California Asset Management Program (CAMP) or similar funds

Shares of a beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 I

(Reference: Government Code Section 6509.7)

COLLATERALIZATION

Collateralization of securities will be in accordance with state law and as specified in this investment policy. (*Reference: Government Code §§ 53652, 53656 & 53658*)

POLICY REVIEW

This policy may be subject to periodic review. Any revisions, deletions or additions to this policy will require WMA Board approval.

INVESTMENT STRATEGY

The WMA shall continue to deposit funds in LAIF, and the County Pool as outlined above. Any other investments will be approved in advance by the Board.

ATTACHMENT D

ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY (WMA) INVESTMENT POLICY Includes Recycling Board and Energy Council Investment Funds (Approved 6/22/2011)

PURPOSE

The purpose of this investment policy of Alameda County Waste Management Authority (WMA) is to establish objectives and procedures for the prudent investment of Authority WMA, Recycling Board (RB) and Energy Council (EC) funds. To the extent possible, the Authority WMA will invest in financial instruments which encourage source reduction and recycling while discouraging non-sustainable uses of natural resources.

SCOPE

The investment policy applies to all sources of Agency Authority cash including but not limited to those listed below:

- Facility fees and Mitigation fees
- Wind revenue
- Other property related revenues
- Grant monies and other external funds
- Interest revenue
- Measure D fees
- Other revenue

GENERAL OBJECTIVES

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield. (Reference: Government Code § 53600.5)

- *Safety*
The Safety and risk related to an investment refers to the potential loss of principal, interest or a combination thereof. Investment shall be made in a manner that ensures the preservation of capital, with the aim of mitigating credit and interest rate risk. Credit risk refers to the risk of loss due to the failure of the issuer or backer of a security to fulfill its obligations to the holder of the investment. Interest rate risk is defined as the risk of market value fluctuations due to overall changes in the general level of interest rates.
- *Liquidity*
The investment portfolio shall remain sufficiently liquid to enable the WMA to meet its cash flow requirements.
- *Yield*
Yield, sometimes described as interest income and the rate of return, is the potential dollar earnings an investment can provide. With safety and liquidity objectives being uppermost, a yield at or above the average market rate of return shall be sought whenever possible.

PRUDENCE

Generally, investments shall be made in the context of the "prudent investor standard" (Reference: Government Code § 53600.3) which states:

“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. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

Officers acting in accordance with written procedures and the investment policy and exercising due diligence shall 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.

SAFEKEEPING OF SECURITIES

To protect against potential losses by collapse of individual securities dealers, all securities owned by the WMA (including collateral on repurchase agreements), shall be held in its respective name in safekeeping by a third party bank trust department. Said trust department shall act as agent for the WMA pursuant to a custody agreement between the bank and the WMA. The custodian shall provide safekeeping receipts of all securities held. (*Reference: Government Code § 53608*)

QUALIFIED DEALERS

Investments as authorized pursuant to Section 53601 or 53601.1, not purchased directly from the issuer, shall be purchased either from an institution licensed by the state as a broker-dealer, as defined in Section 25004 of the Corporations Code, or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a savings association or federal association (as defined by Section 5102 of the Financial Code) or from a brokerage firm designated as a primary government dealer by the Federal Reserve bank. The ~~Chief Finance Officer~~ Financial Services Manager shall investigate dealers wishing to do business with the WMA and determine if they are adequately capitalized, deal in securities appropriate to the WMA's needs, and are recommended by managers of portfolios similar to the WMA's. (*Reference: Government Code § 53601.5*)

All financial institutions and securities dealers who desire to engage in investment transactions with the WMA shall submit a written certification that the supervising officer has reviewed the WMA'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 WMA. Employers of any financial institution offering securities or investments to the WMA shall be trained in the precautions appropriate to public sector investments and shall be required to certify that they have read and understand the WMA's investment policy.

DELEGATION OF AUTHORITY

The Joint Exercise of Powers Agreement for Waste Management (JPA) that created the WMA specifies that the WMA's Finance Officer shall serve the combined functions of treasurer and auditor. The WMA's Finance Officer is referred to in this policy as “Financial Services Manager” and/or “Treasurer”.

The California Government Code authorizes the legislative body of a local agency to delegate various responsibilities for the investment, reinvestment, exchange, deposit and safekeeping of the local agency's funds to the treasurer of the local agency. The WMA Board has made such delegations, which will be subject to periodic review in connection with adoption of the WMA's budget. The treasurer shall be bonded as required by State law. With respect to the investment, reinvestment and exchange of funds, the

Financial Services Manager is limited to the authorized investments as set forth in this policy. (*Reference: Government Code §§ 6505.1, 6505.5, 6505.6, 53600 et.*)

REPORTING

The Financial Services Manager shall verify and report in writing on the first day of July, October, January, and April of each year to the WMA Board Members (and through them to the WMA's Member Agencies) the amount of money he or she holds for the WMA, the amount of receipts since his or her last report, and the amount paid out since his or her last report. (*Reference, JPA § 9(e)*) The Financial Services Manager shall issue other reports to the Board as required by law. (*Reference Government Code §§ 53607, 53646, 6505.5(e)*)

AUDIT & INTERNAL CONTROL

The Financial Services Manager shall establish an annual process of independent review of the accounts and records of the WMA by an external auditor. The audit shall be conducted by a certified public accountant or public accountant in compliance with the requirements of state law and generally accepted auditing standards. As mandated by the JPA, the minimum requirements of the audit shall comply with sections 26909 and 6505 of the Government Code. This review will provide internal control by assuring compliance with policies and procedures (*Reference: Government Code §§ 6505 & 26909, JPA § 9(f)*)

ETHICS AND CONFLICT OF INTEREST

Officers and employees involved in the investment process, including the Financial Services Manager, shall refrain from personal business activities that could conflict with the proper execution of the investment program or which impair their ability to make impartial investment decisions. Employees and investment officials who manage the investment of public funds must file an annual Statement of Economic Interests (Form 700) with the Fair Political Practices Commission (FPPC) and comply fully with the FPPC's regulations to avoid conflicts of interest. (*Reference: Government Code § 87200*)

SEPARATION OF FUNDS

Separate accounts or the means to separately track the balances of these funding sources shall be established as necessary. These sources include Facility fees, Mitigation fees, and all other WMA revenues or assets requiring separate accounts or funds.

Interest earned and collected from investments shall be allocated monthly to these established accounts based on the cash balance in each fund consistent with generally accepted accounting principles.

AUTHORIZED INVESTMENTS

The following investments are authorized:

Local Authority Investment Fund (LAIF) of the State of California (*Reference: Government Code §§ 16429.1 et. seq*)

Funds may be invested in LAIF up to the maximum amount allowed by state law. LAIF is a diversified investment pool administered by the State of California Treasurer's investment staff. Participation in LAIF allows the WMA to be part of a major portfolio that invests millions of dollars to earn the maximum rate of return consistent with safe and prudent treasury management.

~~Pursuant to Board Resolution WMA 202410-11 the Authority WMA Board authorized the deposit and withdrawal of Authority WMA monies in the Local Authority Investment Fund in accordance with the provisions of Sections 16429.1 et. seq of the Government Code for the purpose of investment. The Board further authorized the following officers or their successors to deposit and/or withdraw monies in the Local Authority Investment Fund (LAIF):~~

- ~~President of the Board~~
- ~~Vice President~~
- ~~2nd Vice President~~
- ~~Secretary (Executive Director)~~

Alameda County’s Investment Pool

Funds may be invested in the Alameda County Investment Pool up to the maximum amount allowed by state law. This pool is administered by the County Treasurer. -Participation in the pool affords the ~~Authority~~WMA the opportunity to be part of a large investment portfolio managed by the County Treasurer’s Office investment staff

The Executive Director ~~is authorized shall delegate to the Chief Finance Officer~~Financial Services Manager, who serves as the AuthorityWMA's Treasurer or in their his/her absence a suitable designee, the ~~authority~~ to deposit and/or withdraw monies in the Local Authority Investment Fund (LAIF) of the State of California and the Alameda County Investment Pool as these pools are generally used to fund normal operations. This includes transfers in and out of designated bank accounts for payroll and vendor payments. The Executive Director is further authorized to delegate to the Financial Services Manager, who serves as the WMA’s Treasurer, or in their absence a suitable designee, the authority granted above.- Board approval is required prior to the acquisition of any other investment or investment type.

The Financial Services Manager shall establish and/or maintain procedures for deposit, withdrawals and reconciliation of all accounts. The Financial Services Managers shall also ensure that the investment portfolio and all related transactions are balanced to the general ledger on a monthly basis.

OTHER INVESTMENTS

Other investments including but not limited to those listed below may be eligible with prior WMA Board approval.

United States Treasury Bills, Bonds and Notes, or those instruments for which the full faith and credit of the United States are pledged for payment of principal and interest. (*Reference: Government Code Section 53601(b)*).

Obligations issued by the United States Government Agencies. These investment types include 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 (*Reference: Government Code 53601(f)*)

Banker's Acceptances. Banker’s acceptances are otherwise known as a bill of exchange or time drafts drawn on and accepted by a commercial bank. (*Reference: Government Code Section 53601(g)*).

Commercial paper. This investment type is a short-term, unsecured promissory note of prime quality. issued by financial and non-financial companies to raise short-term cash. (*Reference: Government Code Section 53601(h)*)

Medium Term Notes (MTNs). This investment type consists of MTNs issued by corporations operating within the United States. MTNs eligible for purchase shall be rated “A” or better by a nationally recognized rating service. (*Reference: Government Code Section 53601(k)*).

Repurchase Agreements (repos). Repurchase agreements are agreements between the local entity and the seller for the local entity to purchase government securities to be resold back to the seller at a specific date and for a specific amount. The market value of securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities. (Reference: Government Code Section 53601(j)).

Time Deposits (CDs). These investments consist of fully insured or collateralized nonnegotiable time certificates of deposit issued by a national or state chartered bank or federal savings and loan in California. Deposits per transactions will be up to the amount insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration (Reference: Government Code Section 53601.8)

Money Market Accounts. These investments consists of shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).(Reference: Government Code 53601(l)(2))

Shares of a Joint Powers Authority i.e., the California Asset Management Program (CAMP) or similar funds

~~Shares of a beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (q), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers WMA. To be eligible under this section, the joint powers WMA issuing the shares shall have retained an investment adviser that meets all of the following criteria:~~

~~The adviser is registered or exempt from registration with the Securities and Exchange Commission.~~

~~The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.~~

~~The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).~~

~~(Reference: Government Code Section 6509.7)~~

COLLATERALIZATION

Collateralization of securities will be in accordance with state law and as specified in this investment policy. (Reference: Government Code §§ 53652, 53656 & 53658)

POLICY REVIEW

This policy may be subject to periodic review. Any revisions, deletions or additions to this policy will require WMA Board approval.

INVESTMENT STRATEGY

The WMA shall continue to deposit funds in LAIF, and the County Pool as outlined above. Any other investments will be approved in advance by the Board.

ATTACHMENT E

RESOLUTION #WMA 2024-05

MOVED:

SECONDED:

AT THE MEETING HELD NOVEMBER 20, 2024

THE ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY AUTHORIZES AN UPDATE TO ITS INVESTMENT POLICY

WHEREAS, the Alameda County Waste Management Authority (WMA) adopted an investment policy by Resolution No. 2011-7; and

WHEREAS, a recent review of the policy determined that adding, “Shares of a Joint Powers Authority, e.g., the California Asset Management Program (CAMP) or similar funds” as a potential eligible investment subject to later Board approval was appropriate, together with minor modifications to reflect actual practices, and

WHEREAS, the WMA through its respective Memoranda of Understanding (MOU) with the Recycling Board and Energy Council has the authority and responsibility to oversee administrative activities of those entities including the investment of funds, and

NOW, THEREFORE, BE IT RESOLVED, that the Investment Policy of the Alameda County Waste Management Authority attached hereto as Attachment A is hereby adopted.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

Arliss Dunn, Clerk of the Board

ATTACHMENT F

RESOLUTION #RB 2024-02

MOVED:

SECONDED:

AT THE MEETING HELD NOVEMBER 20, 2024

**THE RECYCLING BOARD ADOPTING BY REFERENCE THE ALAMEDA COUNTY WASTE
MANAGEMENT AUTHORITY'S INVESTMENT POLICY**

WHEREAS, the Recycling Board (RB) through its Memorandum of Understanding (MOU) with the Alameda County Waste Management Authority (WMA) delegated administrative operations and responsibilities to the WMA, and

WHEREAS, the investment of funds is included as part of administrative operations.

NOW, THEREFORE, BE RESOLVED that the Recycling Board hereby:

1. Rescinds Resolution RB 2011-1.
2. Adopts the investment policy approved by the WMA, Resolution 2024-05 on November 20, 2024.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

Arliss Dunn, Clerk of the Board

ATTACHMENT G

RESOLUTION #EC 2024-02

MOVED:

SECONDED:

AT THE MEETING HELD NOVEMBER 20, 2024

**THE ENERGY COUNCIL ADOPTING BY REFERENCE THE ALAMEDA COUNTY WASTE
MANAGEMENT AUTHORITY'S INVESTMENT POLICY**

WHEREAS, the Energy Council (EC) through its Memorandum of Understanding (MOU) with the Alameda County Waste Management Authority (WMA) delegated administrative operations and responsibilities to the WMA, and

WHEREAS, the investment of funds is included as part of administrative operations.

NOW, THEREFORE, BE IT RESOLVED, that the Energy Council hereby adopts the Investment Policy approved by the WMA, Resolution 2024-05 on November 20, 2024.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

Arliss Dunn, Clerk of the Board

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DATE: November 20, 2024

TO: Waste Management Authority Board & Recycling Board

FROM: Rachel Balsley, Senior Program Manager
Cassie Bartholomew, Senior Program Manager
Kelly Schoonmaker, Senior Program Manager

SUBJECT: SB 1383/ORRO Implementation Update

SUMMARY

State law SB 1383 and the Organics Reduction and Recycling Ordinance (ORRO) took effect on January 1, 2022, to reduce the amount of food and other compostable materials sent to landfill. StopWaste is supporting member agencies with various implementation activities including compliance monitoring/enforcement, CalRecycle reporting, outreach and education, edible food recovery, recovered organic waste product procurement, and more. At the November 20 Joint WMA and Recycling Board meeting, staff will provide a summary update of those efforts.

DISCUSSION

Compliance Monitoring and Enforcement

StopWaste is taking the lead on behalf of member agencies to conduct compliance monitoring and enforcement of the compost and recycling collection service requirements at commercial and multifamily properties. In partnership with member agencies, StopWaste’s first objective is to provide assistance to businesses to achieve compliance with the requirements. Notices of violation, citations, and fines are also being issued to enforce the law as needed.

Official enforcement activities began in October 2022 with the first mailings of notice of violation (NOV) letters to notify generators of potential fines if they do not subscribe to service or obtain a waiver. Citations started in March 2023 to accounts that did not come into compliance within 60 to 75 days of their NOV. Fine amounts are assessed at two different levels. Commercial and multifamily accounts with two or more cubic yards of total weekly collection service have fines that start at \$100 and increase to \$250, then \$500 for continued non-compliance, per violation. Fines start at \$50 and increase to \$250 per violation for smaller sites with less than two cubic yards of weekly garbage service.

In the last year, 2,777 Notices of Violation and 4,418 citations have been issued, with 582 sites having been issued multiple citations. We estimate that approximately half of accounts come into compliance after receiving an enforcement letter either by adding the required recycling and organics service(s), by obtaining a waiver, or by properly documenting compliant alternative recycling services such as self-haul, back-haul, or shared service.

Significant Increase in Compliant Accounts

Countywide, 92 percent of all commercial and multifamily accounts are now in compliance with the recycling and compost collection service requirements, compared to the baseline of 52 percent compliance in December 2022. Approximately 7,552 accounts have come into compliance since the start of enforcement.

Within the last year, approximately 2,380 waivers have been approved, bringing the total approved since the start of the program to nearly 5,800 accounts, with the vast majority for de minimis generation of materials. This equates to approximately 28 percent of the roughly 20,000 commercial garbage accounts countywide. Approximately 5 percent of accounts have an approved “Certification of Recycling Service” on file for alternative collection arrangements (self-haul, back-haul, or shared service).

Last year we reported that just 33 percent of issued fines had been paid. Since then, we implemented a number of initiatives to increase the payment rate, such as revisions to the citation letter giving clearer payment instructions and a QR code that goes directly to our 3rd party payment processor, as well as a new envelope design to clearly indicate an enforcement letter is enclosed. We are pleased to report that the fine payment rate has increased to 45 percent. While we are pleased with this progress, we realize there is still an opportunity to identify additional methods to improve payment rates.

Outreach, Education, and Technical Assistance

StopWaste continues to offer a suite of services and materials to educate sites about the SB 1383/ORRO requirements and help with compliance. The SB 1383/ORRO webpages at www.StopWaste.org/rules provide streamlined access to information on the requirements and free resources. Highlights include city-specific information where users can select their city from drop-down menus to get their hauler’s contact information, city-specific guides and brochures, information about rates (including discounted or free recycling and compost service where available), as well as posters, signs, and free indoor bins. Website translation functionality provides accessibility in five different languages and many resources are offered in multiple languages, such as the printable [overview flyers](#) for businesses and multifamily properties.

In FY 2024, our contracted technical assistance (TA) team reached out to 379 accounts to offer assistance and provided either virtual or in-person assistance to 324 businesses and multifamily properties. TA representatives assist accounts with coming into compliance by helping them subscribe to the required collection services, setting up indoor

recycling/composting stations, assessing needs and assisting with surplus edible food recovery program set-up, training staff, and submitting documentation or waiver applications on their behalf, if applicable.

StopWaste also continues to provide indoor food scrap bins valued at up to \$500 per site as well as stickers to label indoor bins. In FY 2024, 66 sites received free green bins, and nearly 200 sites received StopWaste's free stickers to label indoor bins.

Edible Food Recovery Outreach, Inspections, and Reporting

StopWaste continues our food recovery compliance work in partnership with the Alameda County Environmental Health Department (ACEHD), which is assisting with education and compliance monitoring at Tier One (e.g., grocery stores and markets) and Tier Two (e.g., restaurants and entities serving prepared food) permitted commercial edible food generators in the county. All member agencies have signed MOUs with ACEHD and letter agreements with StopWaste, formally designating each to assist with implementation and enforcement of selected food recovery activities and conduct inspections of commercial edible food generators.

ACEHD started outreach and inspections of Tier One generators in April 2022, and in calendar year 2023, they inspected 177 facilities. The types of sites inspected included large grocery stores and supermarkets that typically generate fresh produce and shelf-stable items. StopWaste covers the inspections of a select number of Tier One generators, primarily wholesale food vendors and distributors, who are permitted by the California Public Health Department. Since they fall outside of the purview of ACEHD, StopWaste began outreach and inspections of those additional Tier One generators in January 2023, reaching out to 188 generators and conducting inspections at 10 sites in calendar year 2023.

ACEHD recently launched SB 1383 Edible Food Recovery compliance inspections of Tier Two Commercial Edible Food Generators (CEFGs). Since September of this year, the department has inspected over 140 Tier Two CEFGs. During inspections, ACEHD inspectors verify that sites have at least one contract or written agreement with a food recovery organization or service for the collection of edible food and that they keep monthly food donation records. If a business does not meet these requirements and they have food waste prevention practices in place, they can demonstrate compliance by providing written documentation that describes:

- A policy allowing direct donation of edible food to staff/employees and/or other end recipients.
- Their food waste prevention practices result in no surplus edible food being generated to donate.

Once a Notice of Violation has been issued to a Tier One or Tier Two generator by ACEHD, StopWaste will be responsible for issuing citations for non-compliance with the edible food recovery requirements.

We continue to work closely with ACEHD and other coalitions throughout the state to develop safe food-handling practices and guidance tools for donors. To date, we have now identified 86 active food recovery organizations and services operating in the County and have a public list of nearly 30 food recovery organizations and services that have additional capacity to pick up or receive donated food from Alameda County's food-generating businesses. Our Food Recovery Organization Directory is integrated with the Agency's RE:Source [tool](#). The directory was recently improved to make the experience more user-friendly for businesses, featuring new filters and an interactive map to help easily locate nearby food recovery organizations.

StopWaste continues to support these food recovery partners through monthly Alameda County Food Recovery Network meetings and the Agency's grant program.

Record-keeping and Data Reporting

Member agencies and their hauler representatives have access to real-time account-level activity data that StopWaste or its consultants are conducting in their jurisdiction through a Member Agency Data Portal that connects with StopWaste's CRM database. This includes data regarding enforcement letters, waivers, submissions for certification of recycling services and proof of service, technical assistance activities, and food recovery organization annual reporting. StopWaste also provides support to member agencies with their SB 1383 annual reporting to CalRecycle by compiling summary level data in a format that matches the questions asked in the CalRecycle Electronic Annual Report (EAR), which was due this year in August.

StopWaste also supported member agencies by facilitating the second full year of required Edible Food Recovery Reporting for 2023. There were 83 identified food recovery organizations or services that reported over 5,894,421 pounds of food recovered from 305 businesses with written agreements. An additional 6,099,157 pounds of food was also recovered from businesses without a written agreement during the 2023 calendar year. The total pounds of food recovered from all Tier 1 and Tier 2 donors reported is 11,993,578 pounds (about 5,997 tons). This is the equivalent of providing approximately 10 million meals to nourish communities in Alameda County. The Edible Food Recovery Reporting for 2024 will start in January 2025, with outreach to all identified food recovery organizations and services in December 2024.

Organic Waste Product Procurement

The priority for FY 2024 was the passage of AB 2346, which made some changes to the procurement requirements, and was signed by the governor in September. Most of the provisions in this new law will take effect January 1, 2025, and StopWaste is currently working with member agencies and CalRecycle on strategies for implementation of the new requirements.

Meanwhile, StopWaste continues to support member agency compliance with procurement regulations in the following ways:

- Working with the Alameda County Resource Conservation District and County of Alameda to pilot the Alameda County Compost for Agriculture Program to provide compost to farms, ranches, and vineyards;
- Expanding compost distribution through compost hubs at urban farms and other locations;
- Facilitating on-site composting education at urban farms through SWEET training.
- Providing education and technical assistance on compost and mulch use to member agencies' landscape staff and contractors;
- Supporting research and innovation to expand compost markets, including research on soil carbon and water savings benefits of compost use on sports fields in partnership with UC Merced and the cities of Dublin and Pleasanton; the effectiveness of composted mulch in slowing spread of fire; and the use of composted mulch to encourage native plant growth in grassland restoration.

CalRecycle Compliance Evaluations

CalRecycle's Jurisdiction and Agency Compliance and Enforcement (JACE) Branch department is expected to evaluate every local jurisdiction in the state every four years, and five of our member agencies are currently undergoing evaluations. JACE staff have been reviewing member agency's Implementation Records and will be conducting field visits to determine compliance with the extensive jurisdiction SB 1383 requirements. Draft findings reports are expected in the next couple of months that convey areas of possible non-compliance. StopWaste staff are following this process closely, attending meetings with JACE and member agency staff, and supporting member agencies in responding to CalRecycle.

Capacity Planning

In coordination with member agencies, the County, and other partners, StopWaste conducted a new round of Capacity Planning for Edible Food Recovery and Organic Waste Recycling, as required by SB 1383. The two capacity plans cover the period from January 1, 2025, through December 31, 2034.

Both Capacity Plans have determined that there is adequate capacity to meet countywide organics processing needs and recover edible surplus food currently being disposed from covered generators in Alameda County.

Exploring Methods to Improve Sorting

With SB 1383/ORRO project implementation now well underway, the team is looking ahead toward the next phase of implementation including efforts to improve sorting behaviors and systems to reduce organics and recyclables sent to landfill. Based on the recent waste characterization study, roughly one-third of what goes to landfills from the commercial sector is compostable organics. Now that most accounts are subscribed to organics and recycling collection services, it's clear more needs to be done to reduce organic materials (including

paper, which represents 13 percent of the commercial waste stream) sent to landfill. As jurisdictions across the state implement contamination monitoring requirements including route reviews, we've seen some new (and some familiar) methods emerge; software platforms to capture and analyze contamination monitoring, cart tagging, contamination surcharges, etc. The team plans to help analyze those methods to develop best practices for activities that can move the needle to improve downstream sorting.

RECOMMENDATION

This item is for information only.

**December 2024
Meetings Schedule**

Alameda County Waste Management Authority, the Energy Council, Source Reduction & Recycling Board, and Programs and Administration Committee
(Hybrid meetings are held at StopWaste Offices unless otherwise noted)

SUN	MON	TUES	WED	THURS	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12 9:00 A.M. Programs & Administration Committee Key Items: 1. 2025 Meeting Schedule 2. SB 54 Update <hr/> 6:00 P.M. Planning Committee & Recycling Board Key Items: 1. Election of Officers 2. 2025 Meeting Schedule 3. SB 54 Update	13	14
15	16	17	18 3:00 P.M. Waste Management Authority & Energy Council Key Items: 1. 2025 Meeting Schedule 2. Mid-year consent (TBD) 3. Legislative priorities 4. Building Performance Standards Grant Acceptance 5. Altamont Property Lease Agreement 6. WMA Reappointments to RB	19	20	21
22	23	24	25 AGENCY HOLIDAY	26	27	28
29	30	31				