

MEETING NOTICE & AGENDA

DATE: August 20, 2026

TIME: 4:30 p.m.

PLACE: Yuba County Board of Supervisors Chambers
Yuba County Government Center
915 Eighth Street, Marysville, CA 95901

I. Call to Order & Roll Call

Bains, Buttacavoli (Vice-Chairman), House, Shaw (Chairman), Teter, and Woten

II. Public Business from the Floor

You are welcome and encouraged to participate in this meeting. Public comment is taken on action items appearing on the Board Business, Consent Calendar, Reports, or Other Business Items on the Agenda when they are called. Public comment on any other items within the scope of the Authority's jurisdiction, including items not listed on the Agenda will be considered at this time. Public comment is limited to three minutes per speaker. Repetitive comments may be limited, and large groups are encouraged to select representatives to express the opinions of the group. No action may be taken on items that do not appear on the posted agenda.

III. Consent Calendar

All matters listed under the Consent Calendar are considered to be routine and can be enacted in one motion. There will be no separate discussion of these items prior to the time the Board votes on the motion unless members of the Board, staff, or public request specific items to be discussed or removed from the Consent Calendar for individual action.

- A. Approval of minutes from July 16, 2026 (Attachment)
- B. Disbursement List for July 2026 (Attachment)

IV. Business Items

A. Compensation Plan (Attachment)

RECOMMENDATIONS:

1. Receive and file the 2026 Employee Benefit Comparison prepared by R3 Consulting Group;

2. Adopt Resolution No. 5-26 approving the Management Analyst and Program Manager Compensation Plan and the updated Personnel Manual, effective September 1, 2026; and
3. Authorize the Executive Director to make minor, non-substantive administrative or clerical revisions necessary to finalize and implement the Compensation Plan and Personnel Manual.

B. **FY 2025 and 2024 Audit Report (Attachment)**

RECOMMENDATIONS: Receive the FY 2025 and FY 2024 Draft Audit Report as Presented

C. **Annual Financial Audit Agreement (Attachment)**

RECOMMENDATIONS: Authorize Executive Director and Board Chair to execute engagement letter with Richardson & Company as proposed or amended.

V. Other Reports

- A. **2025 Electronic Annual Report.** Information Only.
- B. **Status of CalRecycle Jurisdiction and Agency Compliance and Enforcement Branch (JACE) Compliance Evaluations.** Information Only.

VI. Adjournment

THE NEXT REGULAR MEETING IS SCHEDULED FOR 4:30P.M. ON THURSDAY, SEPTEMBER 17, 2026 IN YUBA COUNTY BOARD OF SUPERVISORS CHAMBERS.

REGIONAL WASTE MANAGEMENT AUTHORITY

Serving Sutter County, Yuba County, Live Oak, Marysville, Wheatland and Yuba City



REGIONAL WASTE MANAGEMENT AUTHORITY MEETING MINUTES July 16, 2026

I. Call to Order & Roll Call

The meeting was called to order by Chairman Shaw on July 16, 2026, at 4:35 p.m.

Present: Shaw (Chairman), Gilchrist (Vice-Chairman), Teter, Woten, and Flores

Absent: House

II. Public Business from the Floor

None.

III. Consent Calendar

Director Woten made a motion to approve the Consent Calendar. Director Flores seconded the motion, and it was carried unanimously.

IV. Presentations

- A. Vaping Waste Presentation, presented by Ricky Samayoa on behalf of the Yuba County Tobacco Coalition

V. Business Items

A. Household Hazardous Waste Facility Lease Payment Adjustment Memorandum of Understanding

Staff presented this item to incorporate an alternative CPI calculation for the Household Hazardous Waste Facility lease because October 2025 CPI data was not published by the bureau of labor statistics.

The annual adjustment equates to an approximate \$400 increase in the annual lease payments and aligns with the intent of the existing lease agreement.

Director Flores made a motion to approve the MOU and authorize the Executive Director to execute it on behalf of the RWMA. Director Teter seconded the motion, and it was carried unanimously.

- B. **Authorization to Apply for CalRecycle Used Oil Payment Program for FY 2026/2027 (OPP Cycle 17).** Staff presented a resolution authorizing the Executive Director to apply for and administer the funding of this payment program if awarded.

Director Flores made a motion to adopt Resolution No. 3-26 and authorization for the Executive Director to administer the funding if awarded. Director Teter seconded the motion, and it was carried unanimously.

- C. **Standing Authorization to Apply for the Submittal and Administration of Grant Funding Applications.** Staff presented a resolution authorizing the Executive Director to apply for eligible grant and funding opportunities and administer the funding if awarded.

Director Woten made a motion to adopt Resolution No. 4-26 and authorization for the Executive Director to apply eligible grants and funding opportunities and administer the funding if awarded. Director Flores seconded the motion, and it was carried unanimously.

- D. **First Amendment to the Funding Agreement Between the Regional Waste Management Authority and the Yuba-Sutter Food Bank.** Staff presented an amendment extends the funding agreement with the Yuba-Sutter Food Bank through June 30, 2027. The amendment provides up to \$400,000 for Fiscal Year 2026–27, paid at \$100,000 per quarter, and changes reporting from monthly to quarterly. This funding continues the RWMAs support in expanded edible food recovery capacity and SB 1383 compliance.

Director Flores made a motion to approve the first amendment to the Funding Agreement and authorize the Executive Director to execute the Amendment, extending the agreement through June 30, 2027. Director Teter seconded the motion, and it was carried unanimously.

V. **Executive Director Reports**

- A. **Recology Negotiations.** Staff provided a brief informational update on the ongoing Recology negotiations and the independent review of the extraordinary rate increase request. An RFQ for an Independent Third-Party Review of Recology Extraordinary Increase and SB 1383 Cost Attribution was released at the end of May. We received 3 proposals. Following an evaluation of the proposals, staff has engaged HF&H Consultants to complete the review.

VI. Adjournment

The meeting of July 16, 2026, was adjourned at 5:04 p.m.

**THE NEXT REGULAR MEETING IS SCHEDULED FOR 4:30 P.M. ON THURSDAY,
August 20, 2026, IN YUBA COUNTY BOARD OF SUPERVISORS CHAMBERS.**

REGIONAL WASTE MANAGEMENT AUTHORITY

Serving Sutter County, Yuba County, Live Oak, Marysville, Wheatland and Yuba City

Agenda Item III. – B

Disbursements List July 2026

Regional Waste Management Authority

Check No.	Amount	Vendor	Purpose
1284	\$8,518.79	Sutter County HR	RWMA Benefits 07/2026
1285	\$1,070.16	Tower Media Studios	Office Rent - 07/2026
1286	\$550.00	Alliant Networking Services	IT Services 07/2026
1287	\$28,091.75	Yuba County CDSA	FY 2025-26 Q4
1288	\$379.25	Civic Plus (formerly Streamline)	Webservices July 2026
1289	\$550.00	Alliant Networking Services	IT Services 08/2026
1290	\$1,560.00	Rich, Fuidge, Bordsen & Gaylean	Legal Services
1291	\$8,518.79	Sutter County HR	RWMA Benefits 08/2026
1292	\$1,070.16	Tower Media Studios	Office Rent - 08/2026
1293	\$100.00	David Shaw	Board Meeting 07/2026
1294	\$100.00	Bob Woten	Board Meeting 07/2026
1295	\$100.00	Angela Teter	Board Meeting 07/2026
1296	\$100.00	Dan Flores	Board Meeting 07/2026
1297	\$100.00	Stuart Gilchrist	Board Meeting 07/2026
1298	\$99,999.00	Yuba Sutter Foodbank	Edible Food Capacity / SB1383
EFT	\$24,663.21	Gusto	Payroll Salary JUNE 2026
EFT	\$116.00	Gusto	Payroll Service Fee JULY 2026
EFT	\$300.00	Mission Square	Employee Benefits JUNE 2026
EFT	\$115.00	QuickBooks Online	Subscriptions JULY 2026
EFT	\$109.21	Ring Central	Subscriptions JULY 2026
EFT	\$92.93	Adobe	Subscriptions JULY 2026
EFT	\$65.65	Microsoft	Subscriptions JULY 2026
EFT	\$307.80	Southwest	Travel Expense - CRRRA Conference
Total Disbursements			
\$176,577.70			
LIAF TRANSFERS			
(\$500,000.00)			

Agenda Item IV. – A

STAFF REPORT

COMPENSATION PLAN

BACKGROUND

The Regional Waste Management Authority (RWMA) periodically reviews its employee compensation and benefits to ensure that its employment practices remain competitive, clearly documented, and aligned with the Authority's operational needs.

RWMA has prepared a proposed Management Analyst and Program Manager Compensation Plan covering the Management Analyst I, Management Analyst II, and Program Manager classifications, along with an updated Personnel Manual. In support of this effort, R3 Consulting Group conducted a comparison of RWMA employee benefits with those provided by Yuba County, Sutter County, and the cities of Marysville, Live Oak, and Yuba City. The comparison evaluated paid holidays, medical insurance, dental insurance, vision benefits, and retirement benefits.

DISCUSSION

At a prior meeting, the RWMA Board directed staff to return with a comparison of employee benefits offered by RWMA's member agencies, with particular emphasis on health benefits. In response, R3 Consulting Group compared RWMA's employee benefits with those provided by Yuba County, Sutter County, and the cities of Marysville, Live Oak, and Yuba City. The analysis evaluated paid holidays, medical insurance, dental insurance, vision benefits, and retirement benefits, and has been included as Attachment I.

The proposed Compensation Plan consolidates the compensation, work schedule, leave, benefit, and employment provisions applicable to the Management Analyst I, Management Analyst II, and Program Manager classifications. Among other provisions, the plan establishes a standard 40-hour in office workweek, salary ranges identified in Exhibit A (approved by the RWMA Board in February 2026), annual leave accrual based on years of service, paid holidays, health and welfare benefits, retirement contributions, and separation provisions that align with the Board-approved Personnel Manual.

R3's comparison found that RWMA provides a generally competitive employee benefits package. RWMA pays 100% of the employee-only medical premium and 80% of dependent and family premiums. These contributions compare favorably with those of the member agencies surveyed. RWMA also provides a \$250 monthly payment to eligible employees who waive medical coverage.

RWMA's employee-only dental contribution is among the strongest of the surveyed agencies, while its dependent dental contribution is generally competitive. RWMA's self-insured vision reimbursement program and defined-contribution retirement benefits differ from the traditional insured vision and CalPERS retirement programs offered by the comparison agencies.

R3 recommended that RWMA continue evaluating dependent medical contributions, the effectiveness of its vision reimbursement program, and how the value of its retirement benefits is communicated to current and prospective employees.

RECOMMENDATION

Staff recommends that the Board:

1. Receive and file the 2026 Employee Benefit Comparison prepared by R3 Consulting Group;
2. Adopt Resolution No. 5-26 approving the Management Analyst and Program Manager Compensation Plan and the updated Personnel Manual, effective September 1, 2026; and
3. Authorize the Executive Director to make minor, non-substantive administrative or clerical revisions necessary to finalize and implement the Compensation Plan and Personnel Manual.

ATTACHMENTS

- **Attachment I** – 2026 Employee Benefit Comparison memo prepared by R3 Consulting Group
- **Attachment II** – Resolution of the Regional Waste Management Authority adopting the updated Compensation Plan and Personnel Manual for Program Manager and Management Analysts
 - **Attachment A:** Management Analyst and Program Manager Compensation Plan, effective September 1, 2026
 - **Attachment B:** Updated Personnel Manual, effective September 1, 2026

To:	Carrie Baxter, <i>RWMA Executive Director</i>
From:	Rosene Nguyen, <i>R3 Senior Consultant</i>
Date:	July 27, 2026
Subject:	2026 Employee Benefit Comparison
Attachments:	Employee Benefits Comparison

Background

R3 Consulting Group (R3) conducted a comparison of The Regional Waste Management Authority (RWMA) employee benefits against five neighboring public agencies: Yuba County, Sutter County, the City of Marysville, the City of Live Oak, and the City of Yuba City. The purpose of this review was to evaluate the competitiveness of RWMA's benefits package and identify opportunities for improvement that may assist with employee recruitment, retention, and long-term organizational sustainability.

The comparison evaluated the following benefit categories:

- » Paid holidays
- » Medical insurance
- » Dental insurance
- » Vision benefits
- » Retirement benefits

Findings

Paid Holidays

RWMA currently provides 12 paid holidays, including one floating holiday. This is fewer than each of the comparison agencies.

- » Live Oak provides 16 paid holidays, the highest among the agencies reviewed.
- » Yuba City provides 15 paid holidays, including one floating holiday.
- » Yuba County, Sutter County, and Marysville each provide 13 paid holidays, including a floating holiday.

RWMA does not currently observe several holidays offered by other agencies, including Juneteenth, Cesar Chavez Day, the day after Christmas, and New Year's Eve.

Medical Insurance

RWMA's medical benefits are highly competitive for employee-only coverage, and reasonably competitive overall to the comparison group. RWMA pays 100% of the employee only medical premium and 80% of the employee plus family premium. Employees enrolled in family coverage pay the remaining 20%. RWMA also offers a \$250 monthly payout payment for eligible RWMA employees who chose to waive medical coverage.

A table comparing medical contributions offered among the comparison agencies is provided on the following page:

Medical Benefits (As of July 2026)			
Agency	Employee-Only Coverage	Dependent/Family Coverage	Opt-Out Payment
RWMA	100%	80%	\$250/month
Marysville	100%	80%	\$275/month
Live Oak	90%	90%	\$275/month
Yuba County	100%	90%	\$250/month
Yuba City	80%	80%	25-30% of lowest-cost health plan depending on coverage level
Sutter County	Fixed Dollar Amount: \$950.50	Fixed Dollar Amount: Employee + Dependent \$1892.50 Employee + Family \$2,671.50	

Dental Insurance

RWMA pays 100% of the employee-only dental premium and 80% of the employee plus family premium. Employees enrolled in family coverage pay the remaining 20%. RWMA's dental contribution is comparable to Yuba County and is among the strongest employee only contributions in the comparison group.

The following table compares dental contributions offered among the comparison agencies:

Dental Benefits (As of July 2026)		
Agency	Employee-Only Coverage	Dependent/Family Coverage
RWMA	100%	80%
Marysville	80%	80%
Live Oak	90%	90%
Yuba County	100%	80%
Yuba City	90%	90%
Sutter County	Fixed Dollar Amount: \$17.90 – 25.78/mo.	Fixed Dollar Amount: Employee + Dependent \$31.80 - 48.45/mo. Employee + Family \$46.80-74.75/mo.

Vision Benefits

RWMA provides a reimbursement benefit rather than traditional group vision insurance. The benefit reimburses eligible expenses up to:

- » \$250 per person per fiscal year
- » \$600 per family per fiscal year

RWMA's reimbursement benefit gives employees flexibility in selecting providers and purchasing eligible vision products. However, unlike the comparison agencies, RWMA employees do not appear to receive a traditional insured vision plan.

The comparison agencies generally provide group vision insurance:

- » City of Marysville: Pays 80%; employee pay 20%.
- » City of Live Oak: Pays 100% of vision premiums.
- » Yuba County: Pays 100% of employee only coverage and 80% of employee plus one and family coverage.
- » City of Yuba City: Pays 90%; employees pay 10%.
- » Sutter County: Provides the core vision plan at no employee cost. Employees selecting the buy-up plan pay approximately \$4 to \$13.

Retirement Benefits

RWMA's retirement structure differs from the other agencies because RWMA does not participate in CalPERS. Instead, RWMA provides Social Security participation and employer funded defined contribution benefits.

RWMA provides:

- » Participation in Social Security
- » Employer payment of the employee's 1.45% Medicare contribution
- » A \$100 monthly employer contribution to a 457(b) deferred compensation plan
- » A dollar-for-dollar employer contribution of up to 7% of the employee's base monthly salary to a 401(a) Defined Contribution Plan.

All compared agencies offer CalPERS benefits with 2% at age 64 for PEPBRA employees and 2% at age 55 for classic employees. Sutter County contributes to social security and contributes \$25 bi-weekly for employees who are enrolled in a deferred compensation 457 program. Yuba County also participates in 457 deferred compensation.

Recommendations

R3 found that RWMA provides a competitive employee benefits package compared to the agencies included in this review. As part of future evaluations, RWMA may wish to consider opportunities to further enhance its benefits program, such as reviewing the number of paid holidays, evaluating the employer contribution toward dependent medical coverage, and assessing whether the current vision reimbursement program continues to meet employee needs. The Authority may also benefit from continuing to communicate the value of its retirement benefits to current and prospective employees.

**REGIONAL WASTE MANAGEMENT AUTHORITY
RESOLUTION NO. 5-26**

**RESOLUTION OF THE REGIONAL WASTE MANAGEMENT AUTHORITY ADOPTING
THE UPDATED COMPENSATION PLAN AND PERSONNEL MANUAL FOR
PROGRAM MANAGER AND MANAGEMENT ANALYSTS**

At a regular meeting of the Board of the Regional Waste Management Authority, held on the 20th day of August 2026.

WHEREAS, on December 16, 2021, the Board approved a Personnel Manual and Salary Schedule; and

WHEREAS, on February 19, 2026, the Board approved a new Salary Schedule, effective January 1, 2026; and

WHEREAS, the Board desires to modify and approve an updated Compensation Plan and Personnel Manual; and

WHEREAS, the compensation and benefits set forth in the updated Compensation Plan, attached hereto as Exhibit A, may be modified in any fashion at any time to include the removal of benefits and reduction of salaries.

NOW, THEREFORE, BE IT RESOLVED by the Regional Waste Management Authority that the Program Manager and Management Analyst Compensation Plan attached hereto as Exhibit A is approved.

BE IT FURTHER RESOLVED by the Regional Waste Management Authority that the Personnel Manual attached hereto as Exhibit B is approved.

The foregoing resolution was passed by the Regional Waste Management Authority this 20th day of August 2026. Effective September 1, 2026.

Chairperson
Regional Waste Management Authority

Date _____

ATTEST:

Clerk to the Board

Date _____

ATTACHMENT A: Compensation Plan

ATTACHMENT B: Personnel Manual

Yuba Sutter Regional Waste Management Authority
Management Analyst and Program Manager
Compensation Plan

ARTICLE 1. CLASSIFICATIONS

Individuals in these classifications are confidential and at-will. At-will employees may be released with or without cause at the discretion of the Executive Director.

A. Management Analyst Classifications

- Management Analyst I
- Management Analyst II

B. Program Manager Classifications

- Program Manager

ARTICLE 2. COMPENSATION

A. Regular Compensation. Each employee in the classifications covered by this resolution shall be paid a rate of pay within the salary range for the class in which employed. Effective January 1, 2026, the Regional Waste Management Authority (Authority) implemented a salary range for all Management Analyst and Program Manager positions as outlined in Exhibit A. Exhibit A may be replaced, as necessary, from time to time.

B. Other Compensation

1. Jury Duty. If an employee is required to report for jury duty, the Authority provides paid jury duty service, with no deduction to Annual Leave, up to a total of ten (10) working days. Any compensation received for jury duty for those ten days shall be reimbursed by the employee to the Authority. Employees will submit proof of jury service to his/her direct supervisor.
2. Workers' Compensation. The Authority will comply with the workers' compensation laws of the State of California.
3. Travel Reimbursement. Employees will be compensated for use of their personal automobile for Authority business at the current IRS mileage rate. Employees using their personal automobile for Authority business must maintain a valid California drivers' license and minimum auto insurance of \$100,000 per person, \$300,000 per accident, and will provide and regularly update proof of this coverage to the Authority.
4. Holidays. The following 13 days shall be observed as holidays for employees:
 - New Year's Day
 - Martin Luther King Day
 - Presidents Day
 - Memorial Day
 - Independence Day
 - Labor Day
 - Veterans Day
 - Thanksgiving and the Day After
 - Christmas Eve
 - Christmas Day
 - Floating Holiday (Employee's Birthday)

1. Holidays have a value equal to the regularly scheduled hours of work on the day the holiday is observed.
2. In order to be eligible for holiday pay, an employee may not be on suspension or unpaid leave on either the regularly scheduled workday immediately preceding or immediately following the observed holiday.
3. If any of the foregoing holidays falls on a Saturday, the holiday will be observed on the preceding Friday. If any of the foregoing holidays falls on a Sunday, the holiday will be observed on the following Monday.
4. Employees who are required to work on a holiday may request to receive the value of the regularly scheduled hours as floating holiday hours. Requests for floating holiday hours must be approved by the Executive Director within two weeks of the designated holiday.

ARTICLE 3. WORK SCHEDULES, DUTIES, & RESPONSIBILITIES

A. Work Schedules

1. The basic work schedule for All Classifications included in this resolution is defined as forty (40) hours, consisting of five (5) consecutive eight (8) hour work days. The Executive Director may adjust work schedules at any time to meet operational needs. Unless otherwise approved in writing by the Executive Director or authorized by a separate remote or flexible work arrangement, employees are expected to perform their work in the Authority office during the Authority's established business hours.
2. Employees may be required to work outside the office to attend meetings, site visits, trainings, community events, or other work-related activities. Employees may also be assigned to perform work at locations throughout the Yuba and Sutter County region, as directed by the Executive Director. Time spent performing authorized work outside the office is considered part of the employee's regular work schedule.
3. Meal periods are unpaid and are not included in the eight hours worked each day. Employees are expected to arrive on time, remain available and actively working during their scheduled hours, and accurately record all time worked when required. All employees will be entitled to one 15-minute break during mid-morning, and one 15-minute break during mid-afternoon.
4. Any temporary or ongoing changes to an employee's work schedule or work location must be approved in advance by the employee's supervisor. The Executive Director will consider reasonable schedule modifications and legally required accommodations in accordance with applicable law.

Management Analyst and Program Manager Compensation Plan

B. Hours of Work

It is expected that employees will work forty (40) hours per work week. Any additional hours that may be required to fulfill the responsibilities and work assignments of the position require prior authorization from the Executive Director.

C. Duties & Responsibilities

1. Employees agree to devote productive time, ability, and attention to the AUTHORITY's business.
2. Employees shall not hold secondary employment and shall be employed exclusively by the Authority, subject to any exceptions approved in writing by the Executive Director. Employee shall not receive overtime or extra compensation for work performed outside normal business hours, without prior authorization from the Executive Director.

ARTICLE 4. LEAVES OF ABSENCE

A. Annual Leave

1. Accrual of Annual Leave – Regular Full-time Employees. Annual Leave shall be credited on the last day of the month following the month when annual leave is earned. An employee who starts work after the first of the month shall not begin to accrue annual leave until the first day of the month following the month in which the employee begins work.

An employee shall continue to accrue annual leave during any authorized and compensated leave; provided, however, that if said leave continues for more than sixty (60) continuous days, no annual leave shall be accrued for any time on paid leave in excess of the sixty-day period. The employee shall not accrue annual leave during any unpaid leave of absence.

Accrued leave for an employee who leaves or is terminated prior to working a complete schedule in a pay period shall be computed at the hourly rate of leave for the appropriate years of service. The hourly rate of leave is calculated by dividing the number of hours worked in the period by the number of hours available to work, multiplied by employee's rate of hours accrued per month as shown in the table below. Holidays shall be considered as hours worked, providing the employee is on the payroll the workday before and the workday after the holiday and included in the number of hours available to work.

Accrual of Annual Leave – Regular Part-time Employees. A regular part-time employee (regularly scheduled more than 20 hours per week, 1040 annual) shall accrue Annual Leave in the proportion that the employees' actual hours of service bear to full-time hours of service. Such Annual Leave shall be

Management Analyst and Program Manager
Compensation Plan

earned for each full calendar month of part-time service based on the number of hours worked. Use of Annual Leave shall be on an hour for hour basis. A regular part-time employee who leaves or is terminated will be paid the regular hourly rate for all accrued leave as of the last day worked.

2. Use of Annual Leave. Annual Leave may be used for vacation, illness, injury, death in the family, medical and dental care, maternity, or personal business. Annual Leave shall be scheduled in advance, except for sudden and unforeseen illness, injury, or family emergency. When the employee desires to use Annual Leave for other than sudden and unforeseen illness, injury, or family emergency, such time shall be scheduled by the Executive Director with due regard to the needs of the Authority, the desire of the employee, and the employee's seniority. Employees shall accrue, and may use, annual leave earned, if approved by the Executive Director. Each employee shall have eight (8) hours deducted from their accrued Annual Leave for each full day of Annual Leave taken. Annual Leave may be taken in increments of not less than 15 minutes (.25 hours), and all time taken off shall be recorded on the employee's time sheet.

Fringe benefits which the employee received while working will continue unchanged during the use of Annual Leave.

3. Payment for Unused Leave.
 - a. As of November 30th of any year, an employee may carry over unused Annual Leave up to the maximum 384 hours (48 days). Any time accumulated in excess of 384 hours shall be paid to the employee.
 - b. Employees may request pay in lieu of Annual Leave during the month of November. Requests for such payments shall be granted, so long as the full-time employee has at least 80 hours of earned Annual Leave credits remaining after such sale. A regular part-time employee will be required to retain a minimum of 40 hours.
 - c. Pay for either of these situations will be at the employee's regular hourly rate of pay and will be paid by December 5th. The amount of this payment will be included in the employee's taxable income reported to the IRS.
 - d. A permanent employee who terminates or is terminated shall be paid at their regular hourly rate of pay for all accrued unused Annual Leave as of the last day worked. In case of death, compensation for accrued Annual Leave shall be paid in the same manner that salary due the decedent is paid.

Management Analyst and Program Manager
Compensation Plan

Below are the accrual rates for Annual Leave. Annual Leave will be prorated based solely on the number of eligible months worked.

Years of Continuous Service	Vacation Hours Accrued per Month	Total Accrual of Annual Hours
Less than 5 Years	16	192
At least 5 and less than 10 years	18	216
At least 10 and less than 15 years	20	240
At least 15 and less than 20 years	22	264
At least 20	24	288

B. Family Medical Leave

In accordance with the Family Medical Leave Act (FMLA) and California Family Rights Act (CFRA), the Authority will grant job-protected unpaid family and medical leave to eligible employees.

ARTICLE 5. BENEFITS

A. Health and Dental Insurance

1. Employees shall be entitled to participate in the Authority's health and dental insurance programs as applicable to the Authority's employees, which benefits may be amended from time to time. The Authority will pay for health insurance for the employee and 80% of their dependents. If the employee chooses a health care provider with a higher rate, the employee will reimburse the Authority for the difference in the rates through payroll deduction.
2. Those employees who do not enroll in the Authority's health insurance program are entitled to participate in its \$250/month cash back program (for not accepting the Authority's health insurance).

B. Vision Insurance

The Authority will provide self-insured vision benefits for employees and their dependents. A maximum reimbursement per fiscal year (July 1-June 30) will be \$250 per person (employee or dependent), and \$600 per family. Expenditures for examinations, lens or contact lens may be reimbursed once every fiscal year. Expenditures for frames may be reimbursed once every two fiscal years.

C. Life Insurance and Long-Term Disability

The Authority will provide, at no cost to the employees, long-term disability coverage for non-job related illnesses and injuries. The Authority will provide life insurance as is currently provided to all full-time employees, which benefits may be amended from time to time. Currently the Authority pays the premium for the long-term policies and for a \$50,000 life insurance policy.

Management Analyst and Program Manager
Compensation Plan

D. Retirement / Deferred Compensation.

1. 457(b) Deferred Compensation Plan. Employees shall be entitled to participate in the Authority's retirement plan as applicable to Employee, which may be amended from time to time. Currently the Authority participates in a 457(b) Deferred Compensation Plan. The Authority pays \$100.00 each month as an employer contribution. Employees are eligible to designate a portion of their salary to be deferred on a voluntary basis.
2. 401(a) Defined Contribution Plan. For each dollar an employee contributes to the deferred compensation plan, up to 7% of the employee's base monthly salary, as shown in Exhibit A, the Authority shall contribute one dollar to the 401(a) Defined Contribution Plan. An employee's ownership of employer contributions is based on a vesting schedule of 20% per year of employment, until fully vested (100%) upon five years of employment with the Authority or obtaining normal retirement age.

DI. Medicare. All employees are subject to Medicare withholding. However, the Authority will pay the 1.45% employee portion.

DII. Social Security. The Authority participates in Social Security. All employees are subject to Social Security withholding.

DIII. Cobra Benefits. Should an employee or dependent become eligible for continuation of health benefits pursuant to COBRA, the eligibility and administration of those benefits shall be in compliance with prevailing law

ARTICLE 6. SEPERATION FROM EMPLOYMENT

1. An employee may voluntarily resign and shall give the Authority at least ten (10) working days advanced written notice of the effective date of such separation.
2. Employees may be terminated by the Executive Director at any time without cause.
3. Employee may be terminated for cause. The determination of whether there is cause for termination may include, but shall not be limited to the following:
 - Violation of administrative policies and procedures;
 - Failure to properly perform assigned duties;
 - Theft of Authority property;
 - Insubordination;
 - Conviction of a felony, or conviction of a misdemeanor relating to Employee's fitness to perform assigned duties;

Management Analyst and Program Manager
Compensation Plan

- Unauthorized absence from employment;
 - Failure to maintain satisfactory working relationships with other employees or the public;
 - Reporting for work, or being at work, under the influence of or in possession of alcohol or non-prescribed controlled substances;
 - Improper use of Authority funds;
 - Unauthorized use of Authority property;
 - An act of moral turpitude or dishonesty; and
 - Other failures of good behavior either during or outside of employment such that Employee's conduct causes discredit to the Authority.
4. Whether employee is terminated with or without cause, shall not owe any severance under this Agreement.

ARTICLE 7. MODIFICATION OF BENEFITS

At any time, Authority reserves the right to modify any of the benefits set forth herein, to include elimination of benefits and reduction of salaries.

REGIONAL WASTE MANAGEMENT AUTHORITY

Serving Sutter County, Yuba County, Live Oak, Marysville, Wheatland and Yuba City

PERSONNEL MANUAL

~~**ADOPTED DECEMBER 16, 2021**~~

ADOPTED AUGUST 20, 2026

Effective September 1, 2026

PERSONNEL MANUAL

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SECTION 1

GENERAL PROVISIONS

1.01 INTRODUCTION

These Personnel Rules (“Rules”) set forth the practices and procedures that are to be followed by the Regional Waste Management Authority (“Authority”) in the administration of its personnel program.

Although this manual describes important policies, practices and benefits, it is not intended to constitute a legal document or create any express or implied contractual obligations. Consequently, the Authority must reserve the right to amend, supplement, rescind or revise any policies, practices or benefits described in this manual as it deems appropriate in its sole and absolute discretion.

These Rules shall at all times be construed in a manner consistent with the provisions of any federal and state laws and regulations.

1.02 PURPOSE AND OBJECTIVES

It is the purpose of these Rules to provide a method of standardizing personnel policies of the Regional Waste Management Authority and to establish the Authority’s position in reference to personnel matters and equitable personnel management practices for all employees of the Authority.

1.03 APPLICATION OF RULES

These Rules shall apply to the career service. Positions in the executive service and positions in the exempt service shall be subject to these Rules only to the extent that provisions of these Rules specifically indicate their application.

1.04 CAREER SERVICE, EXECUTIVE SERVICE AND EXEMPT SERVICE

All offices and positions of the Authority shall be divided into the career service, the executive service and the exempt service as follows:

1.04.01 Career Service. The career service shall be comprised of all budgeted offices and positions within the Authority not included in the exempt service or the executive service.

1.04.02 Executive Service. The executive service shall include the Executive Director.

1.04.03 Exempt Service. Exempt service shall include the following:

- (a) All members of the Board of Directors.
- (b) Persons serving the Authority as independent contractors.
- (c) Consultants and counsel rendering contractual or temporary professional services.
- (d) Persons employed to render the Authority expert service of occasional character.

SECTION 2

DEFINITIONS

Unless otherwise specifically defined, certain terms used in these Rules are defined as follows:

- (1) **Advancement**. A salary increase within limits of a pay range established for a class.
- (2) **Allocation**. The assignment of an individual position to an appropriate classification on the basis of the kind, difficulty, and responsibility of the work actually performed in the position.
- (3) **Anniversary Date**. The date recurring yearly after the initial merit step increase for an original or promotional appointment.
- (4) **Applicant**. A person seeking employment in the service who has formally requested, in writing, to compete for a position for which they may be qualified.
- (5) **Appointing Power**. The Executive Director of the Authority who, in their individual capacity, or the Board of Directors, have the authority to make the appointment to the positions being filled.
- (6) **Appointment**. The offer of employment by the Appointing Power in accordance with these Rules, conditioned on the results of a medical examination (if required), and its acceptance by an eligible applicant.
- (7) **Appointment - Emergency**. In order to prevent stoppage of public business, an appointment that may be made without regard to eligibility to meet an actual emergency declared by the Board of Directors which appointment ends upon cessation of the emergency.
- (8) **Authority**. The Regional Waste Management Authority, and, where appropriate herein, refers to the Board of Directors or any duly authorized representative.
- (9) **Authority Service**. This includes all positions in the career service, and positions in the exempt service involved in seasonal, temporary, or exempt part-time employment as defined in these Rules.
- (10) **Certification**. Process of giving to the Appointing Power the names of those persons who stand highest on the appropriate eligible list and who have expressed their willingness to accept employment under the conditions of the particular vacancy.

(11) Class. All positions sufficiently similar in duties, authority, and responsibility, to permit grouping under a common title and the application with equity of common standards of selection, transfer, promotion and salary.

(12) Class Specifications. A statement of the essential facts which identify and distinguish one class from all other classes. The essential parts of this statement are: the title; the statement of duties and responsibilities; examples of work performed; and the statement of minimum qualifications.

(13) Compensation. Salary, wage, allowances, and all other forms of valuable consideration, earned by or paid to any employee by reason of service in any position, but does not include any reimbursement of expenses as incidents to employment.

(14) Confidential Employee. An employee, who, in the course of their duties, is required to develop or present management positions with respect to employer-employee relations or whose duties normally require access to confidential information contributing significantly to the development of Authority management positions affecting employer-employee relations.

(15) Day. Calendar day unless expressly stated otherwise.

(16) Demotion. The movement of an employee from a position in one class to a position in another class having a lower salary range. A voluntary demotion is a demotion initiated by an employee. An involuntary demotion is a demotion initiated by the Appointing Power.

(17) Dismissal. The involuntary and permanent separation of an employee from their position and the service.

(18) Eligible. A person who has successfully passed all examinations for a class and whose name is placed on an eligible list.

(19) Eligible List. A list of the names of persons arranged in order of examination percentage who have qualified through competitive examination for employment in a class.

(20) Employee. A person legally occupying a position in the Authority service.

(21) Employee Relations Officer. Executive Director of the Regional Waste Management Authority.

(22) Employee - Permanent. An employee who has (1) been certified and is thus entitled to the legal benefits and rights accorded them by the provisions of these Rules, and (2) completed a probationary period.

(23) Employee - Probationary. An employee who has been certified and appointed from an eligible list, or has been reinstated after resignation, or has been transferred,

promoted or demoted, but who (1) has not completed the probationary period provided in these Rules, and (2) has not been certified as a permanent employee.

(24) Employee - Limited-Term. An employee who has been engaged for work which will continue for a limited continuous period not longer than one (1) year, except as provided in these Rules.

(25) Employee - Temporary. An employee who:

(a) Fills a regularly authorized position during the absence of the incumbent, or where there is no incumbent for the position.

(b) Is employed to perform a specific mission in a given period of time. Temporary employment shall not exceed a period of six (6) months, unless a longer period is specifically authorized by the Board of Directors. Such employee may be full-time or part-time.

(26) Executive Director. The administrator of the Authority who is responsible to the Board of Directors for proper administration of all affairs placed in their hands.

(27) Exempt Service. Those positions identified in Rule 1.04.03, who are not included in the career or executive services.

(28) Exempt Employee. All management employees designated by the Board to be employed on an at-will non-tenured basis, including but not limited to the Executive Director, and positions filled on a contract or fee basis. Persons in such positions serve at the pleasure of the Board and may be removed at any time without cause or right to hearing or appeal. These employees are not eligible for overtime under the Fair Labor Standards Act.

(29) Hourly Rate. The amount of individual wages, for an hour's service, calculated by dividing the annual salary by 2080 hours.

(30) Layoff. The separation of an employee from the service because of lack of funds, lack of work, abolition of a position, for reasons of economy or for other reasons or causes unrelated to the employee's job performance.

(31) Management Employee. An employee having responsibility for formulating, administering or managing the implementation of Authority policies or programs.

(32) Minimum Qualifications. The minimum qualifications of education, experience, ability, knowledge, licenses and other requirements established for entrance examinations, for appointments, or for promotion.

(33) Month. A calendar month.

(34) Non-Exempt Employee. Non-exempt employees shall mean an employee designated by the authority as non-exempt for the purpose of complying with the Fair Labor Standards Act. Non-exempt employees are eligible for overtime.

(35) Pay Period. An established number of days which regularly recur during which records of work are maintained and after completion of the period an employee is paid compensation earned.

(36) Personnel Action. Any action taken with reference to appointment, compensation, promotion, transfer, layoff, dismissal, or any other action affecting the status of employment.

(37) Personnel File or Personnel Records. Those records maintained by the Executive Director relating specifically to the employee.

(38) Position. A group of current duties and responsibilities assigned or delegated by competent authority and requiring the full or part-time services of an employee.

(39) Probationary Period. A working test period during which an employee is required to demonstrate their fitness for the duties to which they are appointed by actual performance of the duties of the position.

(40) Promotion. The movement of an employee from one class to another class having a higher maximum rate of pay.

(41) Promotional Eligible List. The names of employees who, by qualifying in a promotional examination, are eligible for appointment in a higher class.

(42) Range. A sequence of salary steps used to identify the minimum, maximum, and intermediate salary rates which may be paid to employees within a class.

(43) Reclassification. A change in allocation of an individual position by raising it to a higher class, reducing it to a lower class, or by moving it to another class at the same level on a basis of significant changes in the kind, difficulty, or responsibility of the work performed in such position. (See Section 3.03.02)

(44) Reemployment List. A list containing the names of persons previously having probationary or permanent status in a given class, who have been laid off.

(45) Reinstatement. The reemployment without examination of a former permanent or probationary employee.

(46) Selection Procedure. The process of testing, evaluating, and/or investigating the fitness and qualification of applicants based on merit procedures, validity, and reliability.

(47) Separation. Any termination of employment. Termination may include death, dismissal, layoff, resignation, retirement, or work completion.

(48) Step. One of the salary rates identified by the Letters "A", "B", "C", "D", and "E", which are used to identify the specific compensation of an employee within the established range for their class.

(49) Supervisory Employee. Any employee having authority, in the interest of the Authority, to hire, transfer, suspend, layoff, recall, promote, discharge, assign, reward, or discipline other employees, or responsibility to direct them, or to adjust their grievances, or effectively to recommend such action, if, in connection with the foregoing, the exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment.

(50) Suspension. The temporary and involuntary separation of an employee from their position and the service (with or without pay) for disciplinary purposes.

(51) Tardiness. Arriving at the workplace after the designated shift time.

(52) Transfer. The movement of an employee from one position to another position of the same class or another class having essentially the same salary range, involving the performance of similar duties and requiring similar basic qualifications or the movement of an employee from one position to another within the same class, but to another department.

(53) Vacancy. An authorized position in the service for which funds are available which is not occupied.

(54) Week. A period of seven consecutive days starting at midnight on Saturday.

SECTION 3

POSITION CLASSIFICATION PLAN

3.01 MAINTENANCE OF PLAN

The Executive Director shall be responsible for maintaining a position classification plan, which shall group all positions within the Authority into classes based upon their duties, authority, and responsibilities. The Executive Director shall, with consent of the Board of Directors, allocate positions to the appropriate class and make revisions in the classification plan, which may consist of additions, abolishment, consolidations, divisions, or amendments to existing classes.

3.02 PURPOSE

The purpose of the position classification plan is, in effect, an occupational inventory of the positions within the Authority. It is a fundamental of personnel administration since it makes possible standardization of class titles for purposes of personnel record keeping, examining, pay administration and related personnel administration objectives.

3.03 ALLOCATION OF POSITIONS

3.03.01 New Positions. When the Executive Director desires to establish the classification of a new position, a description of the duties and responsibilities of the position, as well as the recommended classification, shall be submitted to the Board of Directors for approval.

3.03.02 Reclassification of Positions. When the Executive Director desires to make any permanent and substantial changes in the duties, authority, or responsibilities of a position, written notification of the proposed change shall be submitted to the Board of Directors for approval.

3.04 AMENDMENT OF PLAN

Recommendations for amendments of the classification plan may be suggested by any interested person and shall be submitted to the Executive Director. The Executive Director shall make classification studies of the requests or make studies on their own initiative. If the Executive Director finds that substantial change in organization, creation or change of position, or other pertinent conditions make necessary the addition, abolishment, consolidation, division, or amendment of the classification plan, such recommendation shall be submitted to the Board of Directors.

3.05 CLASS SPECIFICATIONS

3.05.01 Content of Specifications. Each class specification shall include the class title, examples of the duties and responsibilities of the work, and a statement of the desirable qualifications a person should possess to perform the work with reasonable prospects of success.

The specifications shall not include sex designations except where sex is a bona fide occupational qualification.

3.05.02 Interpretation of Specifications. The definitions in class specifications are descriptive and not restrictive. They are intended to indicate the kinds of positions that are allocated to the several classes, as determined by duties and responsibilities, and are not to be construed as declaring what the duties or responsibilities of any position may be, or as limiting or modifying the power of the Executive Director to assign, direct, and control the work of employees under their supervision. The use of a particular expression or illustration as to duties shall not be held to exclude others not mentioned that are of similar kind or quality, nor shall any specific omission necessarily mean that such factor is not included.

3.05.03 Use in Allocation. In determining the class to which any position should be allocated, the specification describing each class shall be considered as a whole. Consideration shall be given to the general duties, specific tasks, responsibilities, qualification requirements and relationship to other classes, as a composite description of the kind of employment which the class is intended to embrace.

3.05.04 Minimum Qualifications Statements. Personal qualifications commonly required of an employee in any class, such as good citizenship, honesty, loyalty, sobriety, industry, amenability to supervision and suggestions of superiors for improvement of service, and willingness to cooperate with associates, shall be implied as qualifications required for entrance to every class, even though such traits may not be specifically mentioned in the specifications. The desirable qualifications enumerated in a class specification shall relate to the reasonable standards of experience and training required at the time of original appointment of a new employee.

3.06 USE OF CLASS TITLES

The class title shall be the official title of every position allocated to the class for the purpose of personnel actions and shall be used on all payrolls, budget estimates, and official records and reports pertaining to the position. Any other working title desired and authorized to be used by the Executive Director may be used as a designation of any position for purposes of internal administration or in contacts with the public.

SECTION 4

APPLICATION, EXAMINATIONS AND ELIGIBLE LISTS

4.01 CONTRACTING AGENCY

The Authority will contract with one of its member agencies (the respective cities and counties) to recruit and acquire new employees. The rules regarding the announcement, applications, examinations, scoring, eligible lists, and other related matters will be those followed by the contracting agency. In addition to these rules, eligibility may also be conditioned upon a satisfactory DMV record and credit check.

SECTION 5

PRE-EMPLOYMENT MEDICAL AND PSYCHOLOGICAL EXAMINATIONS

5.01 EXAM REQUIRED

In order to be eligible for employment with the Regional Waste Management Authority, eligibles may be required to pass certain physical examinations, the character of which shall be job related and in accordance with procedures established by the Executive Director.

Following notification of any employee that they have been selected for a promotion or transfer to a job class in a category requiring greater physical qualifications than the employee's present job class, conditioned on the results of the appropriate medical examinations, the employee shall undergo said medical examinations.

5.02 PHYSICIAN

All physical examinations required under the provisions of this section shall be performed by a licensed physician graduated from a medical school recognized by the Industrial Commission of the State of California.

5.03 MEDICAL EXAMINATIONS (IF REQUIRED)

Following notification of an applicant that they have been selected conditional on the results of a medical examination, but prior to appointment, all applicants for employment in the Authority service, including seasonal or temporary part-time and permanent part-time, are subject to a medical examination which may include x-rays, psychological evaluation, back evaluation, drug screening, hearing test or any other examination or evaluation required or deemed necessary by the Executive Director. Failure of an applicant to achieve the minimum standard will disqualify the applicant, and the applicant's name will be removed from the list of eligibles.

5.04 COST OF EXAM

The Authority shall pay the cost of any examination required under this section.

SECTION 6

APPOINTMENTS, PROMOTIONS, REAPPOINTMENTS AND TRANSFERS

6.01 APPOINTING AUTHORITY

The Executive Director is the Appointing Power and shall appoint all employees to positions authorized by the Board of Directors.

6.01.01 Executive Service. The Board of Directors is the Appointing Power and shall appoint all employees in the executive service.

6.02 FILLING VACANT POSITIONS

All vacancies in career service positions shall be filled as provided in these Rules. Whenever the Executive Director desires to fill a vacant position, they will direct the filling of the vacant position be placed before the Board of Directors for ratification. Appointments will be made with the objective of obtaining for the Authority service the best-qualified person or persons available. If operations from another governmental entity are consolidated with the Authority, the employees of the unit absorbed may be inducted into the Authority service without the requirement of a competitive examination.

6.03 CERTIFICATION OF ELIGIBLES

6.03.01 Order of Use Eligible Lists

Upon receipt of a request for certification of eligibles, the Executive Director shall certify the proper number of available eligibles from an appropriate list. Certification shall be made from lists in the following order:

- (a) Reemployment List
- (b) Internal Promotion List
- (c) Entrance List

6.03.02 Order and Number of Names Certified

The number of names certified to the Appointing Power for one vacancy shall not be more than the names of those applicants having the five (5) highest scores. When more than one vacancy exists, the next highest score shall be certified for each additional vacancy.

6.03.03 Additional Certification to a Vacancy

The Executive Director may certify additional names to a vacancy upon submission of a written report to the Board of Directors that justifies a finding that one or more of the eligibles certified would not be suitable for the position that is to be filled. Additional certification shall not exceed a total of five (5) eligibles for a single vacancy.

6.04 TYPES OF APPOINTMENTS

6.04.01 Probationary Appointment

An appointment made as a result of promotion, reinstatement or entrance shall be considered a probationary appointment. Appointments may be subject to Section 7.05 of these Rules.

6.04.02 Limited-Term Appointment

- (a) A limited-term appointment is an appointment with a time limitation to a position for a person who meets the minimum employment standards for the position and who has been appointed to the position in the absence of an eligible list.
- (b) A limited-term appointment may be made for up to one (1) year, unless extended by the Board of Directors. A limited-term appointment shall not extend beyond two (2) months after an appropriate eligible list is established.
- (c) No special credit shall be allowed in meeting any qualifications or in giving any examination or in establishing any open or promotional eligible list for services rendered under a limited-term appointment. Time spent on a limited-term appointment shall not constitute part of the probationary period.
- (d) Except for a permanent employee who has received a limited-term appointment, a person serving on a limited-term appointment shall not receive credit for vacation, sick leave, holiday pay, or any other fringe benefit.

6.04.03 Permanent Appointment

After successful completion of a probationary period, a permanent appointment shall be made carrying with it the rights, privileges, and protection extended to career service employees by these Rules.

6.04.04 Temporary Appointment (Casual or Seasonal)

- (a) A temporary appointment is an appointment with time limitations to a position in the Authority service of a person who meets the minimum employment standards for the position. Temporary appointments may be full time or part-time.
- (b) A temporary appointment shall not extend beyond six (6) full calendar months in any one (1) calendar year, unless the term is extended by action of the Board of Directors.
- (c) A temporary appointment shall be made from appropriate eligible lists, if available.
- (d) No special credit shall be allowed in meeting any qualifications or in giving any examination or in establishing any open or promotional eligible list for service rendered under a temporary appointment. Time spent on a temporary appointment shall not constitute part of the probationary period.
- (e) A person serving in a temporary appointment except regular employees on special projects or temporary assignment shall not receive annual leave, holiday pay, or any other fringe benefits.

6.04.05 Regular Part-Time Appointment

A regular part-time appointment may be made where positions require someone less than full time on a daily, weekly or monthly basis. A regular part-time employee works at least half of the number of hours normally worked in the class by full time employees and is employed for uninterrupted year-round service. A regular part-time employee shall be considered in the career service with the rights, privileges and protection extended to career service employees by these Rules.

6.04.06 Temporary Part-Time Appointment

A temporary part-time appointment may be made where positions require someone less than full time on either a daily, weekly, or monthly basis. Temporary part-time employees work less than half the number of hours normally worked in the class by full time employees or have part-time employment which is periodically interrupted for periods of two (2) or more months. Temporary part-time employees shall not accrue benefits.

6.05 TRANSFER

When a vacancy exists, an employee may request a transfer to another position. No employee shall be transferred to a position for which the employee does not possess the minimum qualifications.

Upon approval of the Executive Director, an employee may be transferred at any time from one position to another position in a comparable class. For transfer purposes, a comparable class is one which has the same maximum salary, involves the performance of similar duties, and requires substantially the same basic qualifications.

6.06 REINSTATEMENT FROM RESIGNATION

An employee whose name is on a Reemployment List (Section 10.03) may be reinstated to a vacant position in their former class or a comparable class without competitive examination.

A medical examination may be required of any person requesting reinstatement.

Upon reinstatement from resignation, the employee, for annual leave purposes, shall be entitled to include prior years of service.

6.07 EMPLOYMENT OF RELATIVES

6.07.01 Any Appointing Power shall not appoint or promote any of their relatives to any position within the Authority which would create any of the situations specified in subsection 6.07.03 below.

6.07.02 Hiring, reinstatement, promotion, or transfer, which will result in relatives of employees working in the same office may be permitted, but only where the Executive Director finds that such action will not create any of the situations in subsection 6.07.03 below. If such a condition is created by marriage of two employees, immediate steps shall be taken by the appointing authority to transfer or reassign either employee to alleviate the condition.

6.07.03 In deciding whether to hire, reinstate, promote or transfer a relative of a person already working in the office, the Appointing Power will not take such action if to do so would tend to create the following conditions:

- (a) Adverse office working conditions;
- (b) Jeopardize confidentiality;
- (c) Possible conflicts of interest;
- (d) Lessened employee morale; and
- (e) Direct supervision of one relative by another.

6.07.04 For purposes of this Section, relative shall mean spouse, son, daughter, brother, sister, mother, father, aunt, uncle, niece, nephew, grandson, granddaughter, grandmother, grandfather, either by blood, adoption or present marriage.

6.08 CONTINUOUS SERVICE DATE DEFINED

The continuous service date is the date a new employee is appointed on a probationary appointment in the career service. Time spent in the exempt service as a part-time, seasonal, temporary, or limited-term employee (except promotional) shall not be included in determining an employee's continuous service date.

6.08.01 Use of Continuous Service Date

The continuous service date shall be used for determining annual leave accumulation, length of service in connection with layoff, and any other matters involving length of service, except those permanent part-time positions shall have these benefits pro-rated based on the actual number of hours worked.

6.08.02 Adjustment of Continuous Service Date

An employee who leaves Authority service for military service shall receive credit equivalent to the actual time spent for such service upon returning to Authority employment. Credit also shall be accumulated while on authorized leave with pay.

6.08.03 Restoration of Service Credit

An employee who has been re-employed following a layoff or authorized leave of absence without pay shall receive credit for previous time spent in the career service in the determination of their continuous service date.

SECTION 7
PROBATIONARY PERIOD

7.01 **PURPOSE**

The probationary or working test period is an integral part of the examination process and provides an opportunity to observe closely the employee's work, to secure the most effective adjustment of a new or promoted employee whose performance or personal qualifications do not meet the required standards.

7.02 **DURATION**

7.02.01 **Original Appointment.** Except as provided in this section, all original appointments to a position in the classified service shall be subject to a probationary period of ninety (90) days from the date of appointment.

7.02.02 **Promotional Appointments.** All promotional appointments shall be subject to a probationary period of one (1) year.

7.03 **REPORT OF PROBATIONERS**

The Appointing Power shall be responsible for preparing and submitting the required performance evaluation reports (Section 9.02).

7.04 **UNSATISFACTORY PERFORMANCE DURING PROBATIONARY PERIOD**

An employee who is unable or unwilling to perform the duties of the position satisfactorily or whose habits and dependability do not merit his continuance in the service may be rejected and terminated at any time during the probationary period. The Appointing Power shall have thirty (30) days following the expiration date of the probationary period to review the employee's performance and make a permanent appointment or terminate the employee. An employee disciplined or terminated during the probationary period does not have the right of appeal or hearing.

7.05 **UNSATISFACTORY PERFORMANCE FOLLOWING PROMOTION**

An employee rejected during the probationary period following promotion or transfer shall be reinstated at the employee's former salary step to the employee's former position or a position in the class from which the employee was promoted or transferred unless the reason for the employee's rejection is cause for dismissal. If no vacancy exists in this class, the employee with the least amount of time in this class shall be demoted to the most recent class in which the employee has served satisfactorily. If an employee who holds regular status in the career service is caused to be terminated by such action the

employee's name shall be placed on a Reemployment List for the classification from which the employee was terminated. An employee who previously held regular status in the career service and who is dismissed during a probationary period following promotion shall retain the right to appeal the dismissal from the Authority but not the right to appeal the rejection from the position to which the employee was promoted.

7.06 FRINGE BENEFIT STATUS DURING PROBATIONARY PERIOD

This section applies only to new employees serving a probationary period. It does not apply to employees who are serving a probationary period as a result of being promoted.

7.06.01 Accrual of Leave. Annual leave benefits based upon or earned in connection with time worked shall accumulate during an employee's probationary period.

7.06.02 Annual Leave. Annual leave may be utilized during the probationary period in accordance with Section 15.

7.06.03 Health and Welfare. A probationary employee for a permanent position may enroll in the health and welfare insurance programs offered through the Authority to be effective as permitted by the Authority's insurance program.

7.06.04 Retirement Program. A probationary employee for a permanent position shall be automatically enrolled in the Authority retirement program at the time of the probationary appointment.

SECTION 8

CONDUCT, DISCIPLINE, HEARINGS, AND RESIGNATIONS

8.01 EMPLOYEE CONDUCT GENERALLY

The expected standard of conduct for all employees in the service of the Regional Waste Management Authority shall be in the public interest as opposed to individual interests. Therefore, to render the best possible service to the general public and to reflect credit on the Authority service, high standards of conduct are deemed essential. The tenure of every employee shall be conditioned on good behavior and satisfactory performance of duties.

8.02 IMPROPER EMPLOYEE CONDUCT

The term "improper conduct" shall mean not only any improper action by an employee in the employee's official capacity, but also any conduct by an employee not connected with the employee's official duties which brings the Authority service into discredit, or which affects the ability to perform the employee's duties officially, or any improper use of the position of an employee for personal advantage. Improper conduct shall be cause for disciplinary action. In addition, improper conduct also includes the following:

- (a) Conviction of a felony. A plea of guilty, or a conviction following a plea of nolo contendere is deemed to be a conviction.
- (b) Being under the influence of intoxicating beverages or non-prescribed narcotics while on duty.
- (c) Insubordination.
- (d) Offensive conduct or language toward the public or toward fellow Authority employees or officers thereof.
- (e) Inefficiency or incompetence.
- (f) Inattention to duty, tardiness, indolence, carelessness, or damage to or negligence in the care and handling of Authority property.
- (g) Improper or unauthorized use of Authority vehicles or equipment or misappropriation of supplies.
- (h) Dishonesty, including the falsification of an employment application or other Authority records.

- (i) Absence from duty without leave, failure to report after leave of absence has expired or after such leave of absence has been disapproved or revoked and canceled.
- (j) Willful violations of these Rules or any written rules or regulations which may be prescribed by the Board of Directors or Executive Director.
- (k) Acceptance by an employee of any bribe, gratuity, kickback, or other form of remuneration in addition to regular compensation given with an attempt to influence action, vote or opinion by an employee in the performance of their duties, from any source whatsoever.
- (l) Solicitation of the public, in an official capacity or as an employee of the Authority, for money, goods, or services not specifically authorized by the Board of Directors or Executive Director.
- (m) Violation of the Safety Policy (Section 19).
- (n) Taking an active part in any political campaign during duty hours.
- (o) Violation of the Code of Ethics (Section 23).
- (p) Any action which reflects discredit on the service or is a direct hindrance to the effective performance of Authority functions.
- (q) Outside work which creates a conflict of interest with Authority work, causes discredit to Authority employment, or detracts from the efficiency of the employee in the employee's Authority work.
- (r) Excessive points on the employees DMV pull notice.

8.03 PRIOR NOTICES AND HEARINGS

Before an Appointing Power disciplines a permanent employee, or subjects any office or employee to disciplinary action for which the law mandates prior notice and an opportunity for a hearing, the employee shall be given notice of the proposed action, the reasons for the proposed action, a copy of the charges and materials upon which the proposed action is based, and the right to respond, either orally or in writing, within a specified period of not less than five (5) days. The notice shall include a statement advising the employee of the right to be represented. Allowance for temporary leave with pay may be made at the discretion of the Executive Director. An employee who fails to respond, either orally or in writing, within the time specified in such notice shall be deemed to have waived any and all rights to appeal or otherwise contest or challenge the proposed disciplinary action. Any order imposing disciplinary action shall advise the employee of the right to appeal.

8.04 APPEALS

Unless waived for failure to respond as provided in Section 8.03 above, or for any other reason provided by law, a permanent employee who is discharged, suspended, or subjected to a disciplinary demotion or reduction in pay, or any officer or employee subjected to disciplinary action for which the law mandates an opportunity for a hearing, and who has exercised the right to respond, may appeal the action by filing a written appeal to the Board and demand for hearing with the Appointing Power within ten (10) days after the date of the order imposing, affirming or modifying the disciplinary action of the Appointing Power. The filing of a written appeal within the time prescribed by this section is jurisdictional; if it is not filed within that time, the employee shall be deemed to have waived the right to appeal or otherwise contest or challenge the disciplinary action and no proceedings shall be taken upon the appeal. The decision of the Authority's Board shall be the final decision of the Authority, subject to any applicable rights of judicial review.

8.05 RESIGNATION

An employee wishing to leave the career service in good standing shall file with the Executive Director a written resignation giving at least two weeks' notice of intention to leave the service unless the Executive Director consents to the employee's leaving sooner. An employee who leaves the career service without filing a written resignation as prescribed above, shall have that fact entered on the employee's personnel record and may be denied entrance to any examination for which they may apply in the future.

8.06 RESIGNATION UPON ABSENCE WITHOUT APPROVAL

An employee who is absent from work for more than five (5) working days without prior approval, or without notifying their Supervisor, shall be deemed to have resigned unless the absence was caused by an event beyond the control of the employee.

An employee deemed to have resigned under this section may appeal such separation from the service within ten (10) working days of the effective date of such separation under the provisions of Section 8.04.

8.07 EXIT INTERVIEW

Upon separation from the Authority for any reason, employees will be required to participate in an exit interview with the Executive Director or their designee. The purpose of the exit interview is to assemble complete information regarding the employee's tenure with the Authority, review the reasons for their separation for the Authority, review the status of annual leave, health and medical insurance, and to assure that all employee obligations are cleared and verify receipt of all Authority equipment, keys, or other items. Approval to issue the employee's final paycheck will conclude the exit interview.

SECTION 9

PERFORMANCE EVALUATION

9.01 PERFORMANCE REPORTS

The Executive Director shall maintain a system of service ratings based on standards of performance. The standards shall have reference to the quality and quantity of work done, the manner in which the service is rendered and the responsibility of employees to their duties. Employee performance reports shall be developed so that they can be used as a guide in determining disciplinary measures, layoffs, transfers, step advancements, and potential promotion. The performance report of each employee shall be reviewed with the employee by their Supervisor in order that improvement may be recommended if required and commendation provided when warranted. Performance reports, after filing by a confidential employee, may be examined by the employee, by the employee's Supervisor, by the Executive Director, and by the confidential employee, but shall not be open to any other person. The original signed copy of each performance report shall be filed with the Executive Director and a copy given to the employee.

9.02 REPORTS ON PROBATIONERS

During the probationary period of each employee, the immediate Supervisor shall investigate thoroughly the employee's adjustment, capacity and general acceptability to determine whether they are fully qualified for permanent status. During the probationary period one performance report shall be made during the first six months after appointment and one performance report shall be made prior to permanent appointment to the position.

9.03 REPORTS ON PERMANENT EMPLOYEES

Performance reports shall be made annually or as required by the Executive Director for use in transfer, layoff, or for any step increase requested.

SECTION 10

LAYOFF PROCEDURE

10.01 LAYOFFS

Any career service employee may be separated without prejudice because of lack of work, curtailment of work, lack of funds, or for other just cause. Such decision to lay off employees will be determined by the Board of Directors upon the recommendation of the Executive Director, who will recommend the department(s), classification(s), and number of positions to be deleted.

10.01.01 Policy. The Authority will make every effort to accommodate those employees who may be subject to layoff through the process of normal attrition. In the event of a reduction in work force, existing vacancies shall be used to the maximum extent possible to relocate affected employees.

10.01.02 The Authority shall notify affected employees as early as possible of any reduction in force, and shall provide a minimum of two (2) weeks' notice or two (2) weeks' pay in lieu of notice at the sole discretion of the Executive Director.

10.01.03 In the event of layoff, the affected employees shall immediately receive pay for all accumulated overtime or compensatory time they are due and may choose to receive payment for accumulated leave time.

10.01.04 Layoffs shall be made by specific classification, and not by classification series.

10.01.05 Employees will not continue to accumulate seniority, annual leave or any other service related benefits during the period they are laid off, but will retain only seniority benefits accumulated to the day of layoff.

10.01.06 Layoffs by Least Seniority. Within a given class, employees will be laid off based upon seniority; employees with the least seniority shall be laid off first.

10.01.07 Seniority Defined. For the purpose of layoffs and the establishment of reemployment lists, seniority shall be determined by continuous service with the affected classification, as calculated to the effective date of the layoff. Seniority shall be lost in the event of resignation, discharge, retirement, or layoff for a period of more than two (2) years.

10.01.08 Layoff Priority. The layoff priority of employment categories shall be as follows:

- (a) Casual and seasonal temporary
- (b) Temporary part time
- (c) Limited time
- (d) Probationary employees
- (e) Regular part-time employees
- (f) Permanent regular employee

Exceptions to this layoff priority may be determined by the Executive Director for extraordinary circumstances or for positions funded by grants from other governmental or private organizations.

10.02 ALTERNATIVES TO LAYOFF

In the event of a layoff, an employee so affected may elect to:

10.02.01 Accept a vacant position in the lateral or lower class for which the employee is qualified, provided that the employee has the highest seniority of those requesting to fill the vacant position and the Appointing Power for the position approves the appointment; or

10.02.02 Accept a position in a lateral or lower class in which the employee has previously served, or a position in a lateral or lower class within the same series containing the class from which the employee is being laid off, provided that they are qualified and is more senior than the least senior employee in such lateral or lower class and the Appointing Power for the position approves the appointment.

10.02.03 If this action creates a "bumping down" situation, this process will be repeated in the next classification level where an employee "bumps in" and creates an overage in that classification. When the "bumping" reaches the lowest classification in the series, determination for layoff will be made by seniority only.

10.02.04 For the purpose of this section, "qualified" means: the employee is physically able to perform the required duties, and meets the minimum qualifications of education, experience, training, and the physical standards of the position.

10.02.05 Departments other than the one in which the layoff occurred are not obligated to accept the laid off employee.

10.02.06 Employees that accept a position in a lateral or lower class shall retain the same anniversary date as in their previous position. A position in a lateral class shall mean a position in a class with the same salary range. A lower class shall mean a class with a lower salary range.

10.02.07 In no case shall an employee subject to an impending layoff be transferred to a position in a higher range, unless their name is on the appropriate eligible list in accordance with these Rules.

10.03 REEMPLOYMENT LISTS

10.03.01 For each class where there are permanent employees who have been laid off through no fault or delinquency on their part and persons who have resigned in good standing there shall be established a reemployment list containing the names of such employees.

10.03.02 Provided their overall efficiency has been satisfactory, any permanent employee in the classified service who is laid off because of temporary or permanent abolishment of the employee's position shall have their name automatically placed on the reemployment list for the class from which the employee has been laid off.

10.03.03 Any permanent employee in the classified service who resigns in good standing may make application for reinstatement within one (1) year after the date of resignation. Such employee will be placed on a reemployment list for the class of position from which they resigned. Such application must be made within one (1) year after the effective date of resignation.

10.03.04 The names of persons laid off shall precede the names of persons granted reemployment privileges after resignation. The names of persons requesting reemployment after resignation shall be placed on the appropriate eligible list in the order of date of application for employment.

10.03.05 The names of any person laid off shall continue on the appropriate reemployment list for a period of two (2) years after it is placed thereon. Names of all other eligibles requesting reemployment shall be automatically removed from said list at the expiration of one (1) year, unless extended by the Board of Directors.

10.04 DETAILED PROCEDURE OF LAY-OFF REINSTATEMENT

10.04.01 The names of such persons laid off in accordance with the provisions of Section 10.01 of these Personnel Rules shall be placed upon a reemployment list in inverse order of seniority, i.e., the person with the greatest seniority on the reemployment list for the classes affected shall be offered reinstatement when a vacancy exists in the affected class. In the event the person refuses the offer of reinstatement, such person's name shall be removed from the reemployment list.

10.04.02 In the event an employee accepts reinstatement to a lower class to which they are entitled, such person's name shall remain on the reemployment list for reinstatement to a lateral class provided such person, except for lack of seniority, would have been otherwise entitled to such lateral class at the time of the most recent layoff

10.04.03. Any person who is reinstated to a class which is the highest class to which they would have been entitled at the time of the layoff shall have their name removed from the reemployment list.

10.04.04 In the event the person on layoff cannot be contacted by the Authority through usual and customary channels within ten (10) working days such person's name shall be removed from the reemployment list, providing, however, that such person within the two year period specified herein may request that their name be replaced on the reemployment list and such person's name may, on the sole discretion of the Executive Director, be returned to the reemployment list.

10.04.05 In no event shall the name of any person laid off remain on a reemployment list for a period longer than two years from the effective date of such person's most recent layoff.

10.04.06 Upon reinstatement to any classification to which the employee is entitled, all benefits acquired by the employees prior to his layoff shall also be reinstated. An employee shall not receive credit for time spent on layoff in computing time for any benefit entitlement.

10.05 REINSTATEMENT FROM LAYOFF OR VOLUNTARY DEMOTION IN LIEU OF LAYOFF

10.05.01 An employee whose name is on a Reemployment List due to layoff through no fault or delinquency on the part of the employee or an employee whose name is on a Reemployment List due to acceptance of a voluntary demotion in lieu of layoff shall be reinstated to their former class or a comparable class without competitive examination when a position becomes vacant.

10.05.02 A medical or psychological examination may be required prior to reinstatement pursuant to Section 5.

10.05.03 Upon reinstatement, the employee shall be assigned to the appropriate range and the employee's former step for the class and shall retain their former anniversary date for the purposes of merit step increases. If the employee's anniversary date occurred during the period of absence, the employee's new anniversary date shall be the first day of the next pay period following reinstatement.

SECTION 11

GRIEVANCE POLICY

11.01 POLICY

The Authority wishes to provide each employee fair and impartial treatment. Accordingly, it has established the following grievance procedure that is available to all non-supervisory employees who have completed their probationary period. A grievance procedure is intended to provide an orderly process whereby employees in the career service may have their problems and complaints considered as fairly and rapidly as possible without fear or reprisal. Nothing in this grievance procedure is intended to create an express or implied agreement that alters the employment relationship. Every effort should be made to find an acceptable solution by informal means at the lowest possible level of supervision.

11.02 GRIEVANCE DEFINED

A grievance will be considered to exist when an unresolved problem, complaint, misunderstanding or disagreement exists; and an employee or group of employees have a factual complaint relating to employment or working conditions; or an employee or group of employees believe an injustice has been done because of lack of Authority policy, a deviation from a policy or a disagreement with another employee or supervisor. A grievance does not concern formal discipline nor complaints about the disciplinary process. A grievance is not available to effect changes in the established wage rates and fringe benefits.

11.03 PROCEDURE

Any deviation from the procedures in Levels 1 and 2 below, shall be approved in advance by the Authority and the grievant; otherwise the grievance shall have been considered abandoned by the employee and no longer subject to grievance or appeal.

11.03.01 Level 1 - Executive Director. Any career service employee or group of career service employees having a grievance shall first discuss the grievance with the Executive Director within ten (10) working days of the occurrence which caused the grievance. The Executive Director shall prepare and deliver a written response to the grievant by the end of the sixth (6) working day from the date of the meeting. If the Executive Director's answer to the grievance does not satisfactorily adjust the grievance, in the opinion of the employee(s), the employee(s) shall proceed within six (6) working days, from the date of the Executive Director's response, to the next step in the grievance procedure.

11.03.02 Level 2 - Board of Directors. In the event the employee is not satisfied with the decision of the Executive Director, they may appeal the decision to the Board of Directors within ten (10) calendar days from the date of the Executive Director's written response.

- (a) Method of Appeal: The appeal shall be addressed to the Board of Directors and filed with the Board Secretary. The appeal shall explain in detail the matter being appealed; set forth the specific action(s) desired; list reasons for the desired action; and reasons why the Board of Directors should overrule the Executive Director.

When an appeal has been filed, the Board Secretary shall forward it to the Board of Directors for their review along with any other appropriate information.

- (b) Findings. When an appeal has been filed, the Board of Directors shall make such investigation of the matter as they deem necessary, which, at the discretion of the Board of Directors, may include: (i) hearing, (ii) review of existing data only, or (iii) any other information gathering process appropriate.

If a hearing is held on the grievance, the Board of Directors shall cause the hearing to be recorded by electronic means, i.e., an electronic recorder, provided by the Authority.

After reviewing the information gathered, the Board of Directors shall render its written decision on the appeal. The Board of Directors' decision concerning a grievance on all matters shall be final and shall represent the final step in the grievance procedure. The grievant, after reaching this step, shall have exhausted all administrative procedures of the Authority.

SECTION 12

THE COMPENSATION PLAN

12.01 MAINTENANCE OF PLAN

The Executive Director shall periodically recommend for adoption by the Board of Directors a compensation plan. The compensation plan shall include for each class a minimum and maximum rate and such intermediate rates as are considered necessary or equitable. Flat rates may be used instead of salary ranges where appropriate. The rate or pay range assigned to each class shall be such as to reflect fairly the differences in the duties and responsibilities between it and other classes and shall take into account rates paid by other employers for comparable work in both public and private employment, the Authority's financial condition and policies, unusual problems of recruitment and turnover, and other relevant factors.

12.02 ADMINISTRATION OF PLAN

12.02.01 Rates of Pay. Each employee in the career service shall be paid a rate of pay within the salary range for the class in which employed.

Monthly salaries for all employees, detailed by position, range, steps, and effective date, are found in Appendix A of these Personnel Rules. (Note: The salary for the Executive Director is not subject to ranges and step but is solely determined by action of the Board of Directors). Appendix A may be replaced, as necessary, from time to time.

12.02.02 Entrance Salary. An employee shall be appointed at the entrance rate for the class (Step A), except when the Appointing Power believes it is necessary to make an appointment or reinstatement above the entrance rate. Authorization for appointment above the entrance rate must be obtained from the Executive Director for Step B, and from the Board of Directors for Steps C, D or E. In determining such requests, the Executive Director shall give consideration to unusually high qualifications of the candidate, outstanding experience, availability of applicants, and the resulting salary relationship with other similar positions. The reemployment of employees who have been laid off through no fault of their own will normally be made at the same step the employee held at the time of layoff.

12.02.03 Merit Salary Increases. Merit salary increases are not automatic. The Executive Director shall approve merit increases only for those employees who have demonstrated appropriate standards of work performance.

12.02.04 Eligibility for Merit Salary Increases. A new employee, promoted employee, or employee reclassified to a class having a higher salary range shall be eligible for a merit increase on the first pay period following satisfactory completion of twelve (12) months service, and thereafter shall be eligible for an additional salary increase upon

satisfactory completion of twelve (12) months of service following any merit salary adjustment until the maximum rate authorized for the class is attained. Work performance and employee conduct shall guide Supervisors in determining whether step advancements have been earned. The Executive Director may deny or delay a merit increase until such time as the employee demonstrates appropriate standards of work performance. For a permanent employee, the Executive Director shall give written notice in accordance with Section 8.03. A permanent employee may appeal such denial or delay in the manner prescribed in these Rules. An employee shall be eligible for a merit salary increase during any authorized and compensated leave; provided, however, that if said leave continues for more than sixty (60) consecutive working days, except for approved paid vacation or paid educational leave, the employee shall not be eligible for a merit salary increase until the first day of the month following the employee's return to work.

12.02.05 Movement to a Higher Classification. When a career service employee is promoted or reclassified to a class having a higher salary range, the employee shall be paid at the first step of the assigned range, except that if the first step is lower than the employee's current salary, the employee shall be paid at the salary step which is one step higher than the employee's current salary. If the date of the promotion or reclassification occurs on or before the 15th day of the month the new anniversary date shall be the 1st day of the month for purposes of merit pay increases. If the date of the promotion or reclassification occurs after the 15th day of the month the new anniversary date shall be the 1st day of the succeeding month for purposes of merit pay increases.

12.02.06 Working Out of Class. When an employee is temporarily assigned to work in excess of eighty (80) hours in a higher classification, the employee shall be paid at the wage rate of the classification to which the employee is temporarily assigned, at a step that is at least 5% higher than the employee's current rate, but in no event higher than the top wage rate of the temporary classification. In this context, assigned to work does not include merely filling in to cover the most important job duties of the open position, but signifies the substantial performance of the entire job. This temporary assignment must exceed eighty (80) hours and be initiated by a personnel form approved by the Executive Director. Limited term appointments in a vacant position shall not exceed 960 hours worked within each fiscal year.

12.02.07 Demotion Without Cause. An incumbent career service employee, reclassified to a lower job classification for reasons which do not reflect discredit on the employee's employment record, shall retain their rate of pay and anniversary date for purposes of merit pay increases; or shall be placed in the step of the lower salary schedule closest to the employee's rate of pay.

12.02.08 Demotion for Cause. An incumbent employee who is demoted for cause shall be placed in the step of the lower salary schedule that will provide a reduction in pay of not less than five (5) percent. The employee shall be given a new anniversary date for purposes of merit pay increases which will be the effective date of such demotion.

12.02.09 Transfer. When an employee is transferred from one classification to another classification having the same salary range, the employee's pay and anniversary date for merit pay increases shall remain the same.

12.03 COST OF SALARY INCREASES

The Executive Director must certify that sufficient funds are available to cover the cost of salary increases as provided in these Rules and that no budgetary deficiency will thereby be created.

12.04 SALARY RANGE ADJUSTMENTS

Salary range adjustments shall be effective on the date specified by the Board of Directors. Salary range adjustments are to be distinguished from merit salary increases, as they are not intended to give recognition to length or quality of service. The salary rate of an employee whose salary range is adjusted will be adjusted to the same step in the revised salary range. Such adjustments will not change an employee's eligibility for merit salary increases.

12.05 PAY PERIOD

Regular compensation for all employees shall be paid on or before noon on the 5th calendar day after the conclusion of the preceding month. If the 5th day falls on a weekend or holiday, the pay day shall be the final working day before that weekend or holiday.

Except as otherwise provided by law or contractual obligation, whenever an employee terminates their employment, a final paycheck will be prepared for the employee for all compensation earned through the date of termination. Such final paycheck will be issued to the employee on the regular payday date.

12.06 PARTIAL PAY PERIOD

Salary for employees working less than a complete schedule in a pay period shall be computed at the hourly rate of pay for the appropriate classification. The hourly rate of pay is calculated by dividing the annual salary by 2080 hours. Holidays shall be considered as workdays, providing the employee is on the payroll the workday before and the workday after the holiday.

12.07 OTHER COMPENSATION

~~12.07.01 — Jury Pay. If an employee is required to report for jury duty, the Authority will continue to pay the employee their regular salary, with no deduction to Annual Leave, up to a total of ten (10) working days. Any compensation received for jury duty for those ten days shall be reimbursed by the employee to the Authority.~~

12.07.01 RESERVED

12.07.02 Car Allowance. The Executive Director shall receive a monthly car allowance of \$300 in return for the unlimited use of their personal automobile for Authority business within fifty (50) highway miles of Regional Waste Management's Administrative Office. Any travel beyond this distance will be substantiated and reported by the Executive Director and compensated by the Authority at current IRS mileage rates.

~~All other employees will be compensated for use of their personal automobile for Authority business at the current IRS mileage rate. Employees using their personal automobile for Authority business must maintain a valid California drivers' license and minimum auto insurance of \$100,000 per person, \$300,000 per accident, and will provide and regularly update proof of this coverage to the Authority.~~

12.07.03 Longevity Pay: The Authority will provide longevity pay for full time permanent employees (except for the Executive Director position) under the following circumstances:

- (1) An employee shall receive a five percent (5%) adjustment above their base salary after seven (7) continuous years of full-time service to the Authority if at least three (3) of those seven (7) years were at the top step of the applicable pay range within their classification (for example: Step E of the Management Analyst II range) while maintaining satisfactory performance evaluations.
- (2) An employee, after twelve (12) continuous years of full time service shall be receive an additional five percent (5%) adjustment above their base salary provided that at least seven (7) of those twelve (12) years were at the top step of the applicable pay range within their current classification while maintaining satisfactory performance evaluations. The maximum adjustment following twelve (12) years of continuous full time service pursuant to this Section shall be a maximum of a ten percent (10%) adjustment if the employee was eligible for a five percent (5%) adjustment after seven (7) years of continuous service as specified in paragraph 1, above. If the employee did not meet the criteria for a five percent (5%) adjustment after seven (7) years of continuous service as specified in paragraph 1 above, the maximum adjustment pursuant to this Section after twelve (12) years of continuous service shall be five percent (5%) of base salary.
- (3) An employee, after twenty (20) years of continuous full time service shall be entitled to a five percent (5%) adjustment above base salary, provided that at least seventeen (17) of those twenty (20) years of service were at the top step of the applicable pay range within their current classification while maintaining satisfactory performance evaluations. The maximum upward adjustment after twenty (20) years of continuous full time service shall be fifteen percent (15%) above base salary, provided that if an employee was not eligible for an increase pursuant to either subparagraphs 1 or 2 above, then, in such event, the adjustment after twenty (20) years of continuous full

time service could be a total of ten percent (10%) above base salary or five percent (5%) above base salary depending upon whether or not the employee met the eligibility requirements for adjustments after seven (7) years of continuous full-time service and twelve (12) years of continuous full-time service as specific in subparagraphs 1 and 2 above, respectively.

SECTION 13

HOURS OF WORK AND PAYMENT OF WAGES

13.01 HOURS OF WORK - GENERAL

~~13.01.01 Hours of Work. The basic work schedule for all employees, except the Executive Director, is defined as forty (40) hours, consisting of five (5) consecutive eight (8) hour days, Monday through Friday. A non-paid lunch period shall be provided near the middle of the work period. All employees will be entitled to one 15-minute break during mid-morning, and one 15-minute break during mid-afternoon.~~

~~The Executive Director, in order to provide the best service to the public, may establish work schedules which vary employee's workdays and hours, as long as the basic work week is not in excess of forty (40) hours.~~

13.01 OVERTIME COMPENSATION AND TARDINESS POLICY.

13.01.02 Overtime Compensation. All employees, except the Executive Director, are eligible for overtime compensation. Overtime work and compensation shall be approved by the Executive Director. Compensation for overtime shall be computed and paid as follows:

- (a) Time worked in excess of eight (8) hours in a workday, or forty (40) hours in a work week. Hours worked shall be defined as all hours within the service of the Authority. Annual leave, holidays, and other compensatory time off (CTO) hours are not actually hours worked and they do not count towards overtime pay;
- (b) Time worked on a non-workday, unless other time off is granted during the same work period; and
- (c) Time worked on a holiday shall be at straight time (8 hours for the holiday, plus straight time for hours worked).

Employees who are eligible for overtime compensation shall be paid at a rate equivalent to one and one-half (1 1/2) times the employees' regular rate of pay or, with the prior approval of the supervisor, may accrue compensatory time off (CTO). CTO for any overtime shall be accrued at a rate of one and one-half (1 1/2) CTO hours for each hour worked. CTO may be accumulated to a maximum of 40 hours. All overtime earned beyond this maximum shall be subject to cash payment, but the method of payment (i.e., CTO or cash) shall be approved by the Executive Director before the work is undertaken. Overtime shall be computed to the nearest one-quarter (1/4) hours. An employee cannot use a combination of work hours and leave time within an eight (8) hour day to create overtime for himself or herself without prior approval of the Executive Director.

13.01.03 Tardiness Policy. At the discretion of the Executive Director, those employees who fail to report to work fifteen (15) minutes after their normal reporting time

shall have a quarter of one hour reduced from their pay for that pay period; employees who fail to report within thirty (30) minutes of their required reporting time shall have deducted one-half of one hour of pay from their pay for the pay period. Any employee who fails to report to work beyond thirty (30) minutes on one work day shall have deducted from their pay one hour of compensation and one additional hour of compensation for each hour thereafter late on any one day. Repeated tardiness shall not be tolerated or excused and will be subject to disciplinary action.

13.02 PAYMENT OF WAGES

The Executive Director shall furnish the Fiscal Officer with payroll and attendance records for their personnel duly certified for payment and approved as to validity three (3) days in advance of the actual payday. The payday shall be in accordance with Section 12.05.

13.03 PAYROLL DEDUCTIONS

Deductions of authorized amounts may be made from employee's pay for the following purposes:

- (a) Federal Withholding Tax;
- (b) State Withholding Tax;
- (c) Payment for medical insurance premiums, if any;
- (d) Deferred Compensation, if any;
- (e) Wage Garnishments or Court Orders, if any;
- (f) Other purposes authorized by the Board of Directors; and
- (g) Additional elections authorized by employee.

For all deductions not mandatory or a condition of employment, the Authority shall obtain written permission from the employee prior to a deduction being initiated and shall be effective until revoked in writing.

SECTION 14

RESERVED

HOLIDAYS

~~14.01~~ HOLIDAYS - GENERAL

~~The following days shall be recognized as holidays, and permanent employees receive the following holidays off with pay:~~

~~New Year's Day
Martin Luther King Jr. Day
Presidents Day
Memorial Day
Independence Day
Labor Day
Veterans Day
Thanksgiving Day
The day following Thanksgiving
Christmas Eve
Christmas Day~~

~~Birthday (one day on the employee's birthday, or an equivalent time off on another subsequent day in lieu of the employee's birthday as approved by the employee's supervisor).~~

~~Every day appointed by the President or Governor, and approved by the Board of Directors, for a public holiday or in memorial, or such other temporary holidays as established by the Board of Directors.~~

~~Before the end of each calendar year, a schedule will be provided of the actual dates upon which the above holidays will be observed during the following year.~~

~~14.02~~ HOLIDAY ELIGIBILITY

~~In order to be eligible for holiday pay, an employee may not be on suspension or unpaid leave on either the regularly scheduled workday immediately preceding or immediately following the observed holiday.~~

SECTION 15

RESERVED

ANNUAL LEAVE

15.01 ACCRUAL OF ANNUAL LEAVE

Employees shall be entitled to the following Annual Leave accruals per month:

<u>Years of Service</u>	<u>Hours Accrued per Month</u>
Less than 5 years	16
At least 5 and less than 10 years	18
At least 10 and less than 15 years	20
At least 15 and less than 20 years	22
At least 20 years	24

Annual leave shall be credited on the last day of the month when annual leave is earned. An employee who starts work after the first day of the month shall not begin to accrue annual leave until the first day of the month following the month in which the employee begins work.

An employee shall continue to accrue annual leave during any authorized and compensated leave; provided, however, that if said leave continues for more than sixty (60) continuous days, no annual leave shall be accrued for any time on paid leave in excess of the sixty day period. The employee shall not accrue annual leave during any unpaid leave of absence.

Accrued leave for an employee who leaves or is terminated prior to working a complete schedule in a pay period shall be computed at the hourly rate of leave for the appropriate years of service. The hourly rate of leave is calculated by dividing the number of hours worked in the period by the number of hours available to work, multiplied by employee's rate of hours accrued per month as shown in the table above. Holidays shall be considered as hours worked, providing the employee is on the payroll the workday before and the workday after the holiday and included in the number of hours available to work.

15.01.01 Regular Part time Employees. A regular part time employee (regularly scheduled more than 20 hours per week, 1040 annual) shall accrue Annual Leave in the proportion that the employees' actual hours of service bear to full-time hours of service. Such Annual Leave shall be earned for each full calendar month of part time service based on the number of hours worked. Use of Annual Leave shall be on an hour for hour basis. A regular part-time employee who leaves or is terminated will be paid the regular hourly rate for all accrued leave as of the last day worked.

~~15.02 ——— USE OF ANNUAL LEAVE~~

~~Annual Leave may be used for vacation, illness, injury, death in the family, medical and dental care, maternity, or personal business. Annual Leave shall be scheduled in advance, except for sudden and unforeseen illness, injury, or family emergency. When the employee desires to use Annual Leave for other than sudden and unforeseen illness, injury, or family emergency, such time shall be scheduled by the Executive Director with due regard to the needs of the Authority, the desire of the employee, and the employee's seniority. Employees shall accrue, and may use, annual leave earned, if approved by the Executive Director. Each employee shall have eight (8) hours deducted from their accrued Annual Leave for each full day of Annual Leave taken. Annual Leave may be taken in increments of not less than 15 minutes (.25 hours), and all time taken off shall be recorded on the employee's time sheet.~~

~~Fringe benefits which the employee received while working will continue unchanged during the use of Annual Leave.~~

~~15.03 ——— PAYMENT FOR UNUSED LEAVE~~

~~As of November 30th of any year, an employee may carry over unused Annual Leave up to a maximum of 384 hours (48 days). Any time accumulated in excess of 384 hours shall be paid to the employee. Furthermore, during the month of November, an employee may request pay in lieu of Annual Leave. Requests for such payments shall be granted, so long as the full-time employee has at least 80 hours of earned Annual Leave credits remaining after such sale. A regular part-time employee will be required to retain a minimum of 40 hours. Pay for either of these situations will be at the employee's regular hourly rate of pay and will be paid by December 5th. The amount of this payment will be included in the employee's taxable income reported to the IRS.~~

~~A permanent employee who terminates or is terminated shall be paid at their regular hourly rate of pay for all accrued unused Annual Leave as of the last day worked. In case of death, compensation for accrued Annual Leave shall be paid in the same manner that salary due the decedent is paid.~~

~~15.04 ——— FAMILY LEAVE~~

~~In accordance with the Federal Family and Medical Leave Act, and the California Family Rights Act, the Authority will grant job-protected unpaid family and medical leave to eligible employees.~~

~~15.05~~ _____

15.01 ADMINISTRATIVE LEAVE

The Executive Director will receive Administrative Leave at a rate of 6.7 hours per month. This leave may be used in lieu of Annual Leave under the same circumstances as listed in Section 15.02 above. A balance may accrue from one year to the next but may never exceed 160 hours at any one time. Administrative Leave will be prorated on a daily basis upon termination from service with the Authority, calculated as shown in 15.01 above. Furthermore, Administrative Leave may be sold back to the Authority only upon termination at a rate calculated as shown in 15.03 above.

BENEFITS

SECTION 16

16.01 ——— HEALTH INSURANCE

~~The Authority will provide health insurance through the contracted health plan (Plan). The employee may choose any health care provider available through the Plan at the rate established by the Plan for each carrier and will be subject to the rules and allowances detailed within the Plan contract.~~

~~The Authority will pay for health insurance for the employee and 80% of their dependents. If the employee chooses a health care provider with a higher rate, the employee will reimburse the Authority for the difference in the rates through payroll deduction.~~

~~Employees may elect not to be covered under the contracted health plan. Should an employee make this election, the employee must provide to the Executive Director proof of medical insurance through another provider. Any employee electing not to receive medical insurance will receive a \$250 medical allowance, which will be included in the employee's taxable income reported to the IRS and included in the regular rate of pay for purposes of calculating overtime and leave payout.~~

16.02 ——— DENTAL INSURANCE

~~The Authority will provide dental insurance for employees and their dependents at a level determined by the Board of Directors.~~

~~Detailed information regarding the dental plan should be obtained by reading the current plan document, which is incorporated herein by reference.~~

16.03 ——— VISION INSURANCE

~~The Authority will provide self-insured vision benefits for employees and their dependents. The Authority will reimburse the employee (upon proof of expenditure) for all eligible costs, which include examinations, lens, frames, and contact lens. The maximum reimbursement per fiscal year will be \$250 per person (employee or dependent), and \$600 per family. Expenditures for examinations, lens or contact lens may be reimbursed once every fiscal year. Expenditures for frames may be reimbursed every two fiscal years.~~

16.04 ——— LIFE INSURANCE

~~The Authority will provide \$100,000 in double indemnity life insurance for the Executive Director and \$50,000 for all other permanent employees. The imputed cost of coverage in excess of \$50,000 will be included as income, using the IRS Premium Table, and are~~

~~subject to taxes. The terms of the policies are included in the group insurance certificate, which is incorporated herein by reference.~~

~~16.05 — LONG-TERM DISABILITY~~

~~The Authority will provide, at no cost to the employees, long-term disability insurance coverage for non-job related illnesses and injuries. The terms and conditions of the plan are contained in the group insurance certificate, which is incorporated herein by reference.~~

~~16.06 — RETIREMENT / DEFERRED COMPENSATION~~

~~16.06.01 — Retirement Savings Plans. The Authority participates in the following retirement savings plans:~~

- ~~a) 457(b) Deferred Compensation Plan. Employees are eligible to participate in a 457(b) deferred compensation plan, as provided by the Authority. The Authority shall offer a payroll deduction program to allow employees to designate a portion of their salary to be deferred. These contributions shall be made by the employees on a voluntary basis. In addition to employee contributions, if any, the Authority shall deposit in each active deferred compensation account an amount equal to \$200 each month for the Executive Director and \$100 each month for all other permanent employees.~~
- ~~b) 401(a) Defined Contribution Plan. For each dollar an employee contributes to the deferred compensation plan, up to 7% of the employee's base monthly salary, as shown on the salary schedule, including longevity pay, the Authority shall contribute one dollar to a 401(a) Defined Contribution Plan. An employee's ownership of employer contributions is based on a vesting schedule of 20% per year of employment, until fully vested (100%) upon five years of employment with the Authority or obtaining normal retirement age.~~

~~Detailed information regarding the retirement plans should be obtained by reading the current plan document, which is incorporated herein by reference.~~

~~16.06.02 — Medicare. All employees shall be subject to Medicare withholding. However, the Authority will pay the 1.45% employee portion.~~

~~16.06.03 — Social Security. The Authority participates in Social Security. All employees shall be subject to Social Security withholding.~~

~~16.07 — COBRA BENEFITS~~

~~Should an employee or dependent become eligible for continuation of health benefits pursuant to COBRA, the eligibility and administration of those benefits shall be in compliance with prevailing law.~~

16.8 INDUSTRIAL INJURY AND WORKER'S COMPENSATION

~~Eligibility for Worker's Compensation benefits and the administration of those benefits shall be in compliance with the laws of the State of California.~~

SECTION 17

LEAVE OF ABSENCE

17.01 LEAVE OF ABSENCE WITH PAY

In the event an employee in the career or executive service is duly summoned to any court, judicial or quasi-judicial body, or legislative committee for the purpose of performing jury service or serving as a witness in response to a subpoena or other direction by proper authority, the employee shall receive their regular compensation, for up to ten (10) working days, for any regularly scheduled working hours spent in the actual performance of such service, provided, however, that the fees received for such service, except mileage or subsistence allowance, be assigned to the Authority. A paid leave of absence shall be granted for time spent in court when the required attendance is connected with the employee's official duty or a criminal case to which the employee is not a party. A paid leave shall not be granted for a court appearance to which the employee is a party, except when the employee uses their annual leave.

17.02 LEAVE OF ABSENCE WITHOUT PAY

In instances where the work will not be seriously handicapped by the temporary absence of an employee, the Executive Director may grant a leave of absence without pay not to exceed one month. Request for such leave must be in writing and must establish reasonable justification for approval of request. Such leave may be extended with approval of Board of Directors.

17.02.01 Fringe Benefits. All fringe benefits, including time in step, shall cease to accumulate during any period of leave of absence without pay, except that such employee shall be entitled to maintain any medical or life insurance program in effect, provided that the cost of all such insurance shall be borne solely by the employee.

17.02.02 Replacement. When a regular position is vacant due to an official leave of absence, the position may be filled for the length of that leave, and any extension thereof. Any person filling such position shall be a temporary employee. Upon the return of an employee from leave of absence, the replacement for the employee on leave shall automatically revert back to the position held before the leave, if previously in the Authority service, or if not previously in the Authority service, they shall be separated unless there is a vacant authorization position which is filled in accordance with these Rules.

17.02.03 Authorization. An official leave of absence may be authorized only after all accumulated annual leave and compensatory time off have been utilized.

17.03 EDUCATIONAL LEAVE

Upon approval of the Executive Director, an employee may be granted an educational leave with pay for education or training. For any educational leave with pay which will be longer than one (1) week, a request must be submitted to the Board of Directors for approval.

Upon approval of the Executive Director, an employee may be granted educational leave without pay under the provisions of Section 17.02, Leave of Absence Without Pay.

SECTION 18

MILITARY LEAVE

18.01 GENERAL

Authority policy relating to military leave shall be in accordance with the provisions of the Military and Veteran's Code of the State of California.

18.02 MILITARY LEAVE WITH PAY

An employee who has served with the Authority for six (6) months or more immediately preceding a request for military leave, and who is a member of the National Guard, the Naval Militia, or of any reserve component of the armed forces of the United States or of the United States Public Health Service, is entitled to a leave of absence for a period not exceeding thirty (30) calendar days in any calendar year. Any employee who is granted military leave with pay shall be paid at their regular rate of pay to a maximum of thirty (30) calendar days in any calendar year, while on leave. Such leave shall be granted without loss of time, other leave, and without impairment of merit ratings or other rights or benefits to which the employee is entitled. An employee required to perform active duty with one of the above-mentioned organizations for a period in excess of that for which compensation may be paid hereunder may be granted a leave of absence without pay. Military leave with pay may be granted only when an employee receives bona fide orders to active or training duty for a temporary period and shall not be paid if the employee does not return to their position immediately following the expiration of the period for which the employee was ordered to duty plus reasonable travel time connected therewith. The employee shall furnish a certified copy of such order to the employee's Department Head.

18.03 MILITARY LEAVE WITHOUT PAY

An employee with regular status shall be entitled to a military leave of absence without pay during a period of service with the armed services of the United States. The employee, upon discharge under conditions other than dishonorable, may return to and re-enter a position in the same class as their last held position, at the salary rate prevailing for such class, within three (3) months after the termination of the employee's active service with the armed forces. Authority service shall not be deemed to be interrupted by such leave for the purpose of these Rules. An employee's status with reference to seniority, promotion, or continuance in office shall not be prejudiced by reason of absence for this purpose. An employee with a dishonorable discharge may appeal to the Board of Directors for reinstatement. The Board of Directors shall hold a hearing and determine whether the employee is eligible for reinstatement.

Employee's right to return and re-enter the Authority service shall not extend to an employee who fails to return and re-enter to the position within twelve months after the first date upon which he could terminate his active service with the Armed Services of the United States.

18.04 PHYSICAL RE-QUALIFICATION

If, after a military leave with or without pay, it is established that the employee is not physically qualified to perform the duties of their former position by reason of such service, the employee may be reinstated in other work that they are able to perform at the appropriate level of pay of the employee's former class if such position is available.

SECTION 19
SAFETY POLICY

19.01 **GENERAL POLICY**

Both the Authority and its employees recognize their mutual responsibility for safe working conditions. The Regional Waste Management Authority believes that safe working conditions for each of its employees can be attained through use of safety equipment, by proper job instruction, frequent review of safe work practices, and adequate supervision. The purpose of this section of the Rules is to define the Regional Waste Management Authority policy with reference to safety practices and establish responsibility for the administration and coordination of an effective safety program as herein outlined.

19.02 **GENERAL RESPONSIBILITIES**

19.02.01 **Regional Waste Management Authority Responsibility.** The Regional Waste Management Authority recognizes the need for the development of safe working practices for every job. It promotes the advancement of safety in design of buildings, equipment, tools, and other devices.

19.02.02 **Employee Responsibility.** All employees are required as a condition of their employment to follow all established safety practices.

19.03 **DETAILED PROCEDURES**

19.03.01 **Regional Waste Management Authority Responsibility.** Although detailed practices will depend upon the safety requirements of the departments, the general pattern of the plan shall be as follows:

- (a) **Safety Information.** Safety information shall be given to employees, either through group meetings or by discussion with individual employees. Safety rules shall be developed and formulated for safe working practices.
- (b) **Hazardous Working Conditions.** All such conditions reported shall be studied and corrected through either the elimination of the hazard or by proper job instruction and adequate supervision.

19.03.02 **Employee Responsibility.**

- (a) **Condition of Employment.** All employees shall be required, as a condition of their employment, to follow all safety practices which are established for the protection of themselves, their fellow employees, and the public.

- (b) Employee Cooperation. The Authority expects that each employee will accept safety as a personal matter and cooperate in the safety program by developing safe work habits and by reporting hazardous working conditions.

SECTION 20

DRUG-FREE WORKPLACE POLICY

20.01 GENERAL

The Regional Waste Management Authority is committed to providing and maintaining a drug-free workplace consistent with the provisions of the Drug-Free Workplace Act of 1988.

Unlawful manufacture, distribution, dispensing, possession of, or use of any controlled substance in the Authority offices or on Authority property is strictly prohibited. Compliance with this prohibition is a condition of Authority employment. Employees violating this prohibition will be subjected to disciplinary action, up to and including termination.

The Authority will provide a drug-free awareness program to inform its employees about:

The dangers of drug abuse in the workplace;

The Authority's policy of maintaining a drug-free workplace;

Drug counseling, rehabilitation, and other employee assistance programs that are available; and

The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

Any employee who has been convicted of violating any criminal drug statute in the workplace is required to notify the Executive Director within five days after such conviction. Within ten days after receiving such notice of conviction, the Executive Director shall notify the appropriate state agency and other federal funding agencies requiring such notification, as mandated by the Drug-Free Workplace Act of 1988. Within thirty days of receiving notice of such conviction, the Executive Director shall also take one of the following actions with respect to any employee so convicted: Initiate disciplinary action and/or require the convicted employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency.

SECTION 21

HARASSMENT IN EMPLOYMENT POLICY

21.01 PURPOSE

To define and issue to all employees the Regional Waste Management Authority's policy regarding the prohibition of harassment in employment.

21.02 POLICY

The Authority is committed to providing a work environment that is free of discrimination. This policy applies to all agents and employees of the Authority, including supervisors, managers, co-workers, and non-supervisory employees, and to non-employees and third parties with whom an employee comes into contact, who engage in unlawful harassment in the workplace. It extends to harassment of any employee, applicant, unpaid intern or volunteer of or by vendors, independent contractors, and others doing business with the Authority. Furthermore, it prohibits unlawful harassment in any form, including verbal, physical and visual harassment, and prohibits retaliation of any kind against individuals who file complaints in good faith or who assist in the Authority's investigation.

Sexual harassment includes, but is not limited to, making unwanted sexual advances and requests for sexual favors where either (1) submission to such conduct is made an explicit or implicit term or condition of employment; (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or (3) such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment. Employees who violate this policy are subject to discipline up to and including the possibility of immediate discharge.

Any employee or other person who believes they have been harassed by a co-worker, supervisor, manager, agent of the Authority or a non-employee should promptly report the facts of the incident or incidents and the names of the individuals involved to their supervisor. It is the responsibility of each employee, independent contractor, and other person immediately to report and violation or suspected violation of this policy. The U.S. Equal Employment Opportunity Commission and California Department of Fair Employment and Housing also accept complaints.

All complaints will be promptly investigated and there will be appropriate corrective action, including appropriate options for remedial actions and resolutions, such as possible disciplinary action, when it is warranted. A complaint will be designated as confidential, to the extent possible, but cannot be kept completely confidential. It will lead to a fair, impartial, thorough and timely investigation by qualified individuals, documentation and tracking for reasonable progress and timely closure based on the evidence collected.

Employees should feel free to report claims and participate in any investigation without fear of retaliation of any kind. Employees will not be subject to retaliation for registering a complaint of unlawful harassment, retaliation, or discrimination.

21.03 PROCEDURES

An employee who believes that they have been harassed on the job should inform their immediate supervisor or the Executive Director at the earliest possible time. The employee has the option to use the Grievance Procedure found in Section 11 of these Personnel Rules.

The employee initiating a harassment complaint, and other persons involved have an expectation of confidentiality. If the employee desires, the investigation will, if practicable, be conducted in such a way that the person's identity will not be disclosed. When confidentiality cannot be assured, the employee will be apprised of this fact before additional proceedings commence. It must be recognized, however, that in order to take disciplinary action against an employee, based on a charge of discrimination, it may be necessary to disclose the complainant's name and other details regarding this matter.

21.04 RESPONSIBILITY

- (a) All Authority employees shall be responsible for compliance with the intent of the law and Authority policy.
- (b) Managers and supervisors are responsible for proper conduct of their employees and shall accordingly, ensure that their employees are aware of this policy.
- (c) It is the responsibility of the Executive Director to provide guidance, investigate charges of impropriety, and recommend appropriate action.

Questions regarding this policy or procedures related to the resolution of complaints should be directed to the Executive Director.

SECTION 22

REPORTS AND RECORDS

22.01 OFFICE RECORDS

The Executive Director shall keep all official personnel records necessary for transactions and reference and for making reports showing administrative actions including records of all examinations, employment lists, employment history of each employee, history of each position, classification plan, compensation plan, files, books, and correspondence.

22.02 REPORTS OF PERSONNEL TRANSACTIONS

No employee shall have any comment adverse to the employee's interest entered into their personnel file without the employee having first read and signed the instrument containing the adverse comment indicating they are aware of such comment, except that such entry may be made if after reading such instrument the employee refuses to sign it. Should an employee refuse to sign, that fact shall be noted on that document and signed or initialed by such employee. An employee shall have fifteen (15) days within which to file a written response to any adverse comment entered in their personnel file. Such written response shall be attached to, and shall accompany, the adverse comment.

22.03 REVIEW OF RECORDS

Public records are open to inspection at all times during office hours, and every person has a right to inspect any public record, except as provided by law and hereafter:

Every employee, upon proof of identification, shall have the right to read any public or confidential record or writing which pertains directly to them to determine whether the information in such record is correct. The Executive Director shall correct all errors in such record within thirty (30) days after receiving from such person proof of the correct information satisfactory to the Executive Director. If corrective information is determined to be sufficient to establish error, the Executive Director shall so notify the person involved. If the Executive Director finds the information insufficient to establish error, the employee may appeal such decision to the Board of Directors for determination or submit a written statement of the employee's position which shall be inserted into the appropriate file. This provision shall not apply to writings of mental health, and investigatory correspondence from law enforcement agencies.

Access to medical or similar personal data shall be limited to the authorized persons in the Personnel Office, the employee, or anyone authorized, in writing, by the employee to review such file.

22.04 DESTRUCTION OF RECORDS

Except for official records in the personnel file of the individual employee and Board of Directors minutes, which shall be considered permanent, all other records relating to personnel, including correspondence, examinations, and reports, after same are no longer required, may be destroyed after five (5) years.

22.05 PERSONNEL CORRESPONDENCE

All questions, inquiries and correspondence concerning the personnel system or any employee of the Authority shall be referred to the Executive Director.

SECTION 23
CODE OF ETHICS

23.01 **GENERAL POLICY**

The purpose of this Code is to establish ethical standards of conduct for all employees by setting forth those acts or actions that are incompatible with the best interests of the Authority and by directing disclosure by such employees of private financial or other interest in matters affecting the Authority.

23.02 **RESPONSIBILITIES OF PUBLIC OFFICE**

Public employees are agents of public purpose and hold office for the benefit of the public. They are bound to uphold the Constitution of the United States and the Constitution of the State of California and to carry out impartially the laws of the nation and State, and thus to foster respect for all government. They are bound to observe in their official acts the highest standards of performance and to discharge faithfully the duties of their office regardless of personal considerations. Recognizing that the public interest must be their primary concern, their conduct in both their official and private affairs should be above reproach.

23.03 **DEDICATED SERVICE**

All employees of the Regional Waste Management Authority owe a duty of loyalty to the political objectives expressed by the public served and the programs developed by the Board of Directors to attain those objectives. Employees should adhere to the rules of work and performance established as the standard for their positions, by the appropriate authority.

Employees should not exceed their authority or breach the law or ask others to do so, and owe a duty to cooperate fully with other public officials and employees.

23.04 **USE OF PUBLIC PROPERTY**

No employee shall request or permit the use of Authority-owned vehicles, equipment, materials, or property for personal convenience or profit, except when such services are available to the public generally or with permission from the Board of Directors.

23.05 **OBLIGATIONS TO CITIZENS**

No employee shall grant any special consideration, treatment, or advantage to any citizen beyond that which is available to every other citizen.

23.06 INCOMPATIBLE ACTIVITIES

- (a) An Authority employee shall not engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, in conflict with, or inimical to their duties as an employee or with the duties, functions or responsibilities of their appointing power or the Authority. Such employee shall not perform any work, service or counsel or compensation outside of their Authority employment where any part of his efforts will be subject to approval by any other officer, employee, board or commission of the Authority, unless otherwise approved in the manner prescribed by subdivision (b).
- (b) The Executive Director may determine, subject to approval of the Board of Directors, those outside activities which are inconsistent with, incompatible to, or in conflict with the duties as an Authority employee. An employee's outside employment, activity or enterprise may be prohibited if it: (1) involves the use for private gain or advantage of their Authority time, facilities, equipment and supplies; (2) involves receipt or acceptance by the employee of any money or other consideration from anyone other than the Authority for the performance of an act which the employee, if not performing such act, would be required or expected to render in the regular course or hours of their Authority employment or as a part of their duties as a Authority employee; (3) involves the performance of an act in other than their capacity as an Authority employee which act may later be subject directly or indirectly to the control, inspection review, audit or enforcement of any other officer or employee or the agency by which they are employed; and (4) involves such time demands as would render performance of their duties as a Authority employee less efficient.

23.07 DISCLOSURE OF CONFIDENTIAL INFORMATION

No employee shall, without proper legal authorization, disclose confidential information concerning the property, government, or affairs of the Authority, nor shall the employee use such information to advance the financial or other private interest of the employee or others.

23.08 GIFTS AND FAVORS

No employee shall accept any bribe, gratuity, kickback, favor or other form of payment whatsoever from a member of the public where such bribe, gratuity, kickback or favor is offered in an attempt to influence any action, vote, or opinion by any employee in the performance of his or her duties.

Nothing in this provision shall be construed so as to prevent an employee's acceptance of a gift of nominal value given as a token of appreciation (i.e., greeting card or holiday treat).

23.09 REPRESENTING PRIVATE INTERESTS BEFORE THE AUTHORITY

No employee shall appear in an official capacity on behalf of private interests before the Authority. The employee shall not represent private interests in any action or proceeding against the interests of the Authority in any litigation to which the Authority is a party. The restriction of representation of private interests shall not apply to a matter involving the employee's personal or fiduciary interests.

No employee shall accept a retainer or compensation that is contingent upon a specific action by the Authority.

23.10 CONTRACTS WITH THE AUTHORITY

No employee shall have a financial interest in any business transaction, or contract with the Authority, or in the sale of real estate, materials, supplies, or services to the Authority, except as permitted in the conflict of interest statutes of the State of California.

23.11 DISCLOSURE OF INTEREST

Any employee who has a financial or private interest, and who participates in discussion with or gives an official opinion to the Board of Directors, concerning pending action, shall disclose to the Board of Directors or other appropriate authority the nature and extent of such interest.

23.12 POLITICAL ACTIVITY

No employee shall orally, by letter, or otherwise, solicit or participate in soliciting any assessment, subscription or contribution to any political party or political candidate during working hours on the premises of any property owned or leased by the Regional Waste Management Authority. No employee shall promise an appointment to any position with the Regional Waste Management Authority as a reward for any political activity.

23.13 APPLICABILITY OF CODE

When an employee has doubt as to the applicability of a provision of this Code to a particular situation, the employee should apply to the Authority Attorney for an advisory opinion and be guided by that opinion when given. The employee shall have the opportunity to present their interpretation of the facts at issue and of the applicable provisions of the Code before such advisory decision is made. This Code shall be operative in all instances covered by these provisions except when superseded by applicable statutory provision or when the application of a statutory provision is discretionary but determined to be more appropriate or desirable.

SECTION 24

MANAGEMENT RIGHTS

24.01 Except as expressly modified or restricted by a specific provision of these Rules, all statutory and inherent managerial rights, prerogatives, and functions are retained and vested exclusively in the Authority, including, but not limited to, the rights to reprimand, suspend, discharge, or otherwise discipline employees covered under these Rules for cause; to determine the number of employees to be employed; to hire employees, determine their qualifications and assign and direct their work; to promote, transfer, lay off, or recall to work employees; to set the standards of productivity and/or the services to be rendered; to maintain the efficiency of operations; to determine the personnel, methods, means, and facilities by which operations are conducted; to set the starting and quitting time and the number of hours and shifts to be worked; to use independent contractors to perform work or services; to subcontract, contract out, close down, or relocate the Authority's operations or any part thereof; to expand, reduce, alter, combine, transfer, assign or cease any job, department, operation or service; to transfer and assign employees among and between different jobs and classifications as required by the Authority's work needs; to control and regulate the use of machinery, facilities, equipment, and other property of the Authority; to introduce new or improved equipment, machinery, methods, processes or services; to adopt, implement, enforce and from time to time modify, rescind or change safety and work rules and regulations; to determine the number, location and operation of departments or divisions of the Authority; and to take whatever action is either necessary or advisable to determine, manage and fulfill the mission for the Authority and to direct the Authority's employees. The Authority's failure to exercise any right, prerogative or function hereby reserved to it, or the Authority's exercise of any such right, prerogative, or function in a particular way, shall not be considered a waiver of the Authority's right to exercise such right, prerogative, or function or preclude it from exercising the same in some other way not in conflict with the express provisions of these Rules.

Nothing in these Rules shall create a vested right. The Authority reserves the right to prospectively modify, change, amend or revoke these Rules.

THIS HANDBOOK IS NOT INTENDED AS A CONTRACT AND SHOULD NOT BE VIEWED AS THE BASIS OF ANY CONTRACTUAL OBLIGATIONS OF THE AUTHORITY.

SECTION 25

FEDERAL OR STATE PROGRAMS

25.01 **GRANTS**

From time to time other governmental agencies may provide grants or other forms of assistance which enable the Regional Waste Management Authority to hire additional employees. If the Authority receives such assistance or employees, and the regulations governing the grant or assistance conflict with these Rules, then the employees hired under such grant shall be governed by the conditions of the granting agency in those areas of conflict. The Executive Director shall make such determination and shall, if there is an area of substantial conflict, report same to the Board of Directors. Nothing in these Rules shall be construed to prevent modification for the purpose of participation in Federal or State manpower programs.

SECTION 26
CONSTRUCTION

26.01 **CONSTRUCTION**

Nothing in these Rules shall be construed to deny any person or employee the rights granted by Federal and State laws.

The rights, powers and authority of the Board of Directors in all matters, including the right to maintain any legal action, shall not be modified nor restricted by these Rules.

The provisions of these Rules are not intended to conflict with the provisions of Chapter 10, division 4, Title 1 of the Government Code of the State of California. (Sections 3500, et. seq.)

26.02 **SEVERABILITY**

If any provisions of these Rules, or the application of such provisions to any person or circumstance, shall be held invalid, the remainder of these Rules, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

APPENDIX A

MONTHLY SALARY SCHEDULE ADOPTED FEBRUARY 19, 2026

EFFECTIVE JANUARY 1, 2026

Position	<u>Step A</u>	<u>Step B</u>	<u>Step C</u>	<u>Step D</u>	<u>Step E</u>
Management Analyst I	5,764	6,052	6,355	6,673	7,006
Management Analyst II	6,673	7,006	7,357	7,724	8,111
Program Manager	8,585	9,014	9,465	9,938	10,435
Executive Director	TBD				

Notes:

Longevity Pay: Pursuant to the terms and conditions set forth in Section 12.07.03 of the Regional Waste Management Personnel Manual, full time permanent employees (except for the Executive Director position) may be eligible for merit-based longevity pay adjustments beyond the top step of their current classification.

The Executive Director's salary is not determined by range and step, but at an amount determined by the Board of Directors.

APPENDIX B

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Agenda Item IV. – B

STAFF REPORT

FISCAL YEAR 2025 AND 2024 DRAFT FINANCIAL AUDIT REPORT

BACKGROUND

California Government Code Section 26909 generally requires an annual audit of the accounts and records of each special district. The audit report must be filed with the California State Controller within 12 months after the end of the fiscal year or years examined.

The statute permits a special district to replace the annual audit with a biennial audit covering a two-year period upon the unanimous request of the Regional Waste Management Authority (RWMA)'s Board. In August 2025, the RWMA Board approved a biennial audit covering Fiscal Years 2023-24 and 2024-25.

DISCUSSION

Richardson & Company, LLP, Certified Public Accountants, has substantially completed its audit of RWMA's financial statements for the fiscal years ended June 30, 2025 and June 30, 2024. The attached financial report is a draft and remains subject to final issuance by the auditor following completion of final audit procedures and execution of the management representation letter.

The independent auditor's draft report indicates that the financial statements present fairly, in all material respects, RWMA's financial position and changes in financial position and cash flows for the two fiscal years, in accordance with generally accepted accounting principles and the accounting requirements applicable to California special districts.

The draft financial statements report that RWMA's net position decreased by \$154,970 during FY 2024, from \$991,074 to \$836,104. During FY 2025, net position decreased by an additional \$379,861, from \$836,104 to \$456,243.

The report also notes that Management's Discussion and Analysis, which is required supplementary information under Governmental Accounting Standards Board guidance, was omitted; however, the auditor stated that this omission did not affect its opinion on the financial statements.

Staff has reviewed the draft report and is coordinating with Richardson & Company on finalization. Once issued, the final audited financial statements will be provided to the Board and filed as required. The draft audited financial report for FY 2025 and 2024 is included as an attachment for the Board's review and receipt.

RECOMMENDATION

Staff recommends that the Board:

Receive and file the FY 2025 and FY 2024 Draft Financial Audit Report, as presented, and direct staff to provide the final audited financial statements upon issuance.

ATTACHMENTS

- **Attachment I** – 2025 and 2024 Draft RWMA Financial Audit Report

DISCUSSION
DRAFT v2

REGIONAL WASTE MANAGEMENT AUTHORITY

Audited Financial Statements

June 30, 2025 and 2024



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Regional Waste Management Authority
Marysville, California

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Regional Waste Management Authority (the Authority) as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2025 and 2024, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

_____, 2026

REGIONAL WASTE MANAGEMENT AUTHORITY

STATEMENTS OF NET POSITION

June 30, 2025 and 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 483,431	\$ 781,568
Accounts receivable	360,822	144,113
Due from other governmental agencies	17,036	51,801
Interest receivable	4,642	7,246
Prepaid expenses		6,716
TOTAL CURRENT ASSETS	865,931	991,444
NONCURRENT ASSETS		
Restricted cash and cash equivalents	310,364	642,246
Capital assets:		
Depreciable, net	306,844	369,410
Total capital assets, net	306,844	369,410
TOTAL NONCURRENT ASSETS	617,208	1,011,656
TOTAL ASSETS	\$ 1,483,139	\$ 2,003,100
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 590,417	\$ 355,149
Salaries and benefits payable	19,827	38,773
Due to other governmental agencies		28,870
Accrued interest payable - ground lease liability	868	970
Unearned revenue	316,593	637,621
Compensated absences	17,775	13,547
Ground lease liability - current portion	11,112	10,650
TOTAL CURRENT LIABILITIES	956,592	1,085,580
NONCURRENT LIABILITIES		
Ground lease liability - noncurrent portion	70,304	81,416
TOTAL NONCURRENT LIABILITIES	70,304	81,416
TOTAL LIABILITIES	1,026,896	1,166,996
NET POSITION		
Net investment in capital assets	225,428	277,344
Unrestricted	230,815	558,760
TOTAL NET POSITION	456,243	836,104
TOTAL LIABILITIES AND NET POSITION	\$ 1,483,139	\$ 2,003,100

The accompanying notes are an integral part of these financial statements.

REGIONAL WASTE MANAGEMENT AUTHORITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended June 30, 2025 and 2024

	2025	2024
OPERATING REVENUES		
Regulatory surcharge	\$ 862,075	\$ 828,727
Covered electronic waste recovery payments		37
Other operating revenue	48,563	12,608
TOTAL OPERATING REVENUES	910,638	841,372
OPERATING EXPENSES		
Program services:		
Household hazardous waste facility and programs	460,229	413,976
Used oil	39,322	41,431
Tire disposal program	8,951	7,576
Beverage container recycling	31,174	
Senate Bill (SB) 1383	229,093	12,977
Salaries and benefits	355,122	464,683
Local Enforcement Agency payments	281,036	209,084
Professional services	183,941	50,978
Depreciation and amortization	62,566	62,143
Legal and accounting	20,057	14,642
Office rent	8,488	
Contract administration	8,269	10,577
Office supplies	8,017	1,894
Miscellaneous	13,603	14,224
TOTAL OPERATING EXPENSES	1,709,868	1,304,185
NET (LOSS) INCOME FROM OPERATIONS	(799,230)	(462,813)
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental revenues	391,013	197,845
Interest income	33,321	27,541
Debt service - interest, ground lease	(4,965)	(5,155)
TOTAL NONOPERATING REVENUES (EXPENSES)	419,369	220,231
(LOSS) INCOME BEFORE CAPITAL CONTRIBUTIONS	(379,861)	(242,582)
CAPITAL CONTRIBUTIONS		
Capital contributions - Household hazardous waste facility grant		87,612
TOTAL CAPITAL CONTRIBUTIONS		87,612
CHANGE IN NET POSITION	(379,861)	(154,970)
Net position at beginning of year	836,104	991,074
NET POSITION AT END OF YEAR	\$ 456,243	\$ 836,104

The accompanying notes are an integral part of these financial statements.

REGIONAL WASTE MANAGEMENT AUTHORITY

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 693,929	\$ 784,003
Cash paid to suppliers for goods and services	(1,079,066)	(543,653)
Cash paid to employees for services	(369,840)	(447,894)
NET CASH USED BY OPERATING ACTIVITIES	(754,977)	(207,544)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating grants and subsidies	104,750	680,043
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	104,750	680,043
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchases of capital assets		(95,665)
Capital contribution received		87,612
Principal payments on leases	(10,650)	(10,208)
Interest payments on leases	(5,067)	(5,276)
NET CASH USED BY CAPITAL FINANCING ACTIVITIES	(15,717)	(23,537)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	35,925	25,920
NET CASH PROVIDED BY INVESTING ACTIVITIES	35,925	25,920
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(630,019)	474,882
Cash and cash equivalents at beginning of year	1,423,814	948,932
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 793,795	\$ 1,423,814
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENTS OF NET POSITION		
Cash and cash equivalents	\$ 483,431	\$ 781,568
Restricted cash and cash equivalents	310,364	642,246
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 793,795	\$ 1,423,814
RECONCILIATION OF NET (LOSS) INCOME FROM OPERATIONS TO NET CASH USED BY OPERATING ACTIVITIES:		
Net (loss) income from operations	\$ (799,230)	\$ (462,813)
Adjustments to reconcile net (loss) income from operations to net cash provided (used) by operating activities:		
Depreciation and amortization	62,566	62,143
Changes in operating assets and liabilities:		
Accounts receivable	(216,709)	(57,369)
Prepaid expenses	6,716	(2,089)
Accounts payable	235,268	251,781
Salaries and benefits payable	(18,946)	15,941
Due to other governmental agencies	(28,870)	(15,986)
Compensated absences	4,228	848
NET CASH USED BY OPERATING ACTIVITIES	\$ (754,977)	\$ (207,544)

The accompanying notes are an integral part of these financial statements.

REGIONAL WASTE MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Regional Waste Management Authority (the Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Authority are described below.

Description of Reporting Entity: The Authority was formed on July 1, 1990 under a Joint Powers Authority agreement between the counties of Yuba and Sutter and the cities of Yuba City, Marysville, Live Oak and Wheatland. The Authority is governed by a six-member Board of Directors consisting of one member each from the Boards of Supervisors or City Councils of its members. The Authority acts as the liaison for the participating entities for solid waste planning, programming, and other related services with the franchise solid waste collection contractor and the State of California Department of Resources Recycling and Recovery (CalRecycle). Funding is provided principally by a surcharge on solid waste customers and special grants from the State of California.

In June 2024, the Authority contracted with R3 Consulting Group to provide executive director staff augmentation services.

Basis of Presentation: The Authority's resources are accounted for in these financial statements as an enterprise fund type of the proprietary fund group. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Unrestricted net position represents the net position available for future operations.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of this fund are included on the statement of net position. Net position is segregated into the net investment in capital assets, amounts restricted and amounts unrestricted. Enterprise fund-type operating statements present increases (i.e., revenue) and decreases (i.e., expenses) in net position.

The Authority uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. When such funds are received they are recorded as unearned revenues until earned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are from surcharges on solid waste collection services. Operating expenses include professional services and administration. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Investments: For the purposes of reporting cash flows, the Authority considers all cash and highly liquid investments purchased with an original maturity of three months or less and the investment in the Local Agency Investment Fund (LAIF) to be cash equivalents.

Capital Assets: Capital assets are valued at historical cost. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of one year or more. Provision is made for depreciation on the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

REGIONAL WASTE MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2025 and 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Office equipment	5-10 years
Equipment	5 years
Leasehold improvements	20 years

Maintenance and repairs are charged to operations when incurred. Costs of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated from the accounts in the year of sale or retirement and the resulting gain or loss is included in the operating statement.

Due From Other Governmental Agencies: Due from other governmental agencies consisted of CalRecycle grants receivable at June 30, 2025 and 2024.

Unearned Revenue: Unearned revenue at June 30, 2025 consisted of \$308,400 of unspent SB 1383 local assistance grant program funds and \$1,964 of unspent CalRecycle oil payment program funds. Unearned revenue at June 30, 2024 consisted of \$637,031 of unspent SB 1383 local assistance grant program funds and \$590 of unspent CalRecycle oil payment program funds.

Compensated Absences: Compensated absences consist of annual leave, administrative leave and unused holidays that are payable at separation. Annual leave is accrued at 16 to 24 hours per month for each full-time employee with less than five up to 20 years of experience, respectively, up to a maximum of 384 hours. Part-time employees scheduled more than 20 hours per week accrue annual leave equal to the number of hours accrued by full-time employees multiplied by the percentage of full-time hours worked each calendar month. Administrative leave is accrued by the Executive Director at 6.7 hours per month up to a maximum of 160 hours. Annual leave exceeding the maximum number of hours allowed by the Authority's policy is required to be paid in cash and employees are allowed to voluntarily request a cash out of leave exceeding 80 hours (40 hours for part-time employees). Cash out leave is paid on December 5th each year.

Net Position: The financial statements present net position. Net position is categorized as the investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation as well as long-term liabilities and other payables related to capital asset purchases reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position not restricted for any project or other purpose. The Authority's board of directors approved a 2 month, or 16.7%, operating reserve in the year ended June 30, 2027 budget on May 21, 2026.

Use of Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Pronouncements: In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. This Statement requires that a liability for certain types of

REGIONAL WASTE MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2025 and 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

compensated absences, including parental leave, military leave and jury duty leave, not be recognized until the leave commences. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. The provisions of this Statement were implemented during the year ended June 30, 2025 and had no effect on the Authority's financial statements.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes a primary government, or reporting unit that reports a liability for revenue debt, vulnerable to the risk of a substantial impact and to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to occur within 12 months of the date the financial statements are issued. If the criteria in the Statement have been met for a concentration or constraint, the government should disclose information in notes to financial statements in sufficient detail to enable users of financial statements understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The provisions of this Statement were implemented during the year ended June 30, 2025 and had no effect on the Authority's financial statements.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability, including 1) certain topics and disclosures in Management's Discussion and Analysis; 2) requiring the display of inflows and outflows of unusual and infrequent items to be reported separately as the last presented flow(s) of resources prior to the net change in resources flows in the government-wide, governmental fund, and proprietary fund statement of resources flows; 3) changing the definition of proprietary fund nonoperating revenues and expenses to include subsidies received and provided, contributions to permanent and term endowments, revenues and expenses related to financing, resources from the disposal of capital assets and inventory and investment income and expenses and defines operating revenues and expenses as revenue and expenses other than nonoperating revenue and expenses; 4) requires major component units to be presented separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements; and 5) requires budgetary comparison schedules to be reported as Required Supplementary Information (RSI), requires the presentation of variances between original and final budget amounts and final budget and actual amounts in the RSI and requires the explanation of significant variances to be reported in notes to the RSI. The provisions of this Statement are effective for years beginning after June 15, 2025.

In April 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires lease assets recognized in accordance with GASB Statement No. 87, *Leases*, right-to-use assets recognized in accordance with GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, subscription assets recognized in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and other intangible assets to be disclosed separately in capital assets footnote disclosures. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should disclose the ending historical cost and accumulated depreciation by major class of assets and the carrying amount of debt for which the assets are pledged as collateral by major class of asset held for sale under this Statement. The provisions of this Statement are effective for fiscal years beginning after June 15, 2025.

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that

REGIONAL WASTE MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2025 and 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. This Statement clarifies the subsequent events that constitute recognized and non-recognized events and establishes specific note disclosure requirements for non-recognized events. The provisions of this Statement are effective for fiscal years beginning after June 15, 2026.

The Authority is currently analyzing the impact of these Statements.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, consisted of the following:

	2025	2024
Deposits in financial institutions	\$ 475,494	\$ 781,620
Investment in Local Agency Investment Fund (LAIF)	318,301	642,194
Total cash and cash investments	<u>\$ 793,795</u>	<u>\$ 1,423,814</u>

Investment Policy: California statutes authorize districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 - Financial Affairs. The Authority's investment policy does not contain any specific provisions intended to limit the Authority's exposure to interest rate risk, credit risk, and concentration of credit risk. The Authority's permissible investments included time deposits and the State of California Local Agency Investment Fund (LAIF).

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2025 and 2024, the weighted average maturity of the investments contained in the LAIF investment pool was approximately 248 and 217 days, respectively.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2025 and 2024, the carrying amount of the Authority's deposits was \$475,494 and \$781,620 and the balance in financial institutions was \$481,339 and \$840,658, respectively. Of the balance in financial institutions, \$250,000 each year was covered by federal depository insurance and the remaining amount was collateralized by securities pledged by the financial institution, but not in the name of the Authority.

Investment in LAIF: LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The Local Investment Advisory Board (the Board) has oversight responsibility for LAIF. The Board consists of five members as

REGIONAL WASTE MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2025 and 2024

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

designated by State Statute. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

NOTE C – CAPITAL ASSETS

The following summarizes the changes in capital assets for the years ended June 30:

	Balance at July 1, 2024	Additions	Disposals	Balance at June 30, 2025
Capital assets, being depreciated/amortized:				
Lease asset - ground lease	\$ 122,467			\$ 122,467
Equipment	19,766			19,766
Leasehold improvements	967,838			967,838
Total capital assets being depreciated/amortized	<u>1,110,071</u>			<u>1,110,071</u>
Less accumulated depreciation/amortization for:				
Lease asset - ground lease	(36,740)	\$ (12,247)		(48,987)
Equipment	(17,766)			(17,766)
Leasehold improvements	(686,155)	(50,319)		(736,474)
Total accumulated depreciation and amortization	<u>(740,661)</u>	<u>(62,566)</u>		<u>(803,227)</u>
Total capital assets being depreciated/amortized, net	<u>369,410</u>	<u>(62,566)</u>		<u>306,844</u>
Capital assets, net	<u>\$ 369,410</u>	<u>\$ (62,566)</u>	<u>\$ -</u>	<u>\$ 306,844</u>
	Balance at July 1, 2023	Additions	Transfers	Balance at June 30, 2024
Capital assets, not being depreciated:				
Construction in progress	\$ 5,972	\$ 95,665	\$ (101,637)	
Total capital assets not being depreciated	<u>5,972</u>	<u>95,665</u>	<u>(101,637)</u>	
Capital assets, being depreciated/amortized:				
Lease asset - ground lease	122,467			\$ 122,467
Equipment	19,766			19,766
Leasehold improvements	866,201		101,637	967,838
Total capital assets being depreciated/amortized	<u>1,008,434</u>		<u>101,637</u>	<u>1,110,071</u>
Less accumulated depreciation/amortization for:				
Lease asset - ground lease	(24,493)	(12,247)		(36,740)
Equipment	(17,766)			(17,766)
Leasehold improvements	(636,259)	(49,896)		(686,155)
Total accumulated depreciation and amortization	<u>(678,518)</u>	<u>(62,143)</u>		<u>(740,661)</u>
Total capital assets being depreciated/amortized, net	<u>329,916</u>	<u>(62,143)</u>	<u>101,637</u>	<u>369,410</u>
Capital assets, net	<u>\$ 335,888</u>	<u>\$ 33,522</u>	<u>\$ -</u>	<u>\$ 369,410</u>

REGIONAL WASTE MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2025 and 2024

NOTE D – LONG-TERM LIABILITIES

	Balance at July 1, 2024	Additions	Retirements	Balance at June 30, 2025	Current Portion	Noncurrent Portion
Compensated absences	\$ 13,547	\$ 4,228 *		\$ 17,775	\$ 17,775	
HHW ground lease liability	92,066		\$ (10,650)	81,416	11,112	\$ 70,304
	<u>\$ 105,613</u>	<u>\$ 4,228</u>	<u>\$ (10,650)</u>	<u>\$ 99,191</u>	<u>\$ 28,887</u>	<u>\$ 70,304</u>
	Balance at June 30, 2023	Additions	Retirements	Balance at June 30, 2024	Current Portion	Noncurrent Portion
Compensated absences	\$ 12,699	\$ 51,336	\$ (50,488)	\$ 13,547	\$ 13,547	
HHW ground lease liability	102,274		(10,208)	92,066	10,650	\$ 81,416
	<u>\$ 114,973</u>	<u>\$ 51,336</u>	<u>\$ (60,696)</u>	<u>\$ 105,613</u>	<u>\$ 24,197</u>	<u>\$ 81,416</u>

* Represent net change in compensated absences.

Household Hazardous Waste Facility Ground Lease Liability: On January 1, 2008, the Authority entered into an agreement with Yuba City and Yuba-Sutter Disposal, Inc. (YSDI) to transfer the ownership and operation of the household hazardous waste facility improvements located at 134 Burns Drive from YSDI to the Authority. The land on which this facility is located is owned by the City of Yuba City. As of the transfer date, the facility was valued at its original construction cost of \$462,889 since there is no determinable fair value for this facility.

On January 1, 2017, the Authority entered into an agreement with Yuba City to lease the property on which the facility is built starting January 1, 2016. Beginning January 1, 2017, the annual lease payment increases by the percentage increase in the Consumer Price Index for the San Francisco-Oakland-San Jose Metropolitan Statistical Area. The initial term of the lease ended December 31, 2018, but in October 2018 the Authority exercised options to extend the lease through December 31, 2031. GASB Statement No. 87 was implemented as of July 1, 2021 and the Authority recorded a lease liability and right-to-use asset of \$122,467 discounted using an incremental borrowing rate of 4.25%. At June 30, 2025 and 2024, the lease asset had a cost of \$122,467 and accumulated amortization of \$48,987 and \$36,740, respectively. Lease payments used to measure the lease liability were \$3,602 per quarter as of June 30, 2022. The payments increased to \$3,818, \$3,923 and \$4,017 per quarter on January 1, 2023, 2024 and 2025, respectively, but the lease was not remeasured due to the immaterial effect on the lease liability. Future minimum lease payments under the lease agreement, as recorded, will be as follows:

Year ended June 30:	Principal	Interest	Total
2026	\$ 11,112	\$ 3,296	\$ 14,408
2027	11,593	2,815	14,408
2028	12,096	2,312	14,408
2029	12,620	1,788	14,408
2030	13,167	1,241	14,408
2031-2032	<u>20,828</u>	<u>784</u>	<u>21,612</u>
	<u>\$ 81,416</u>	<u>\$ 12,236</u>	<u>\$ 93,652</u>

NOTE E – CONTINGENT LIABILITIES

The Authority has received State grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the Authority believes such disallowance, if any, will be immaterial.

REGIONAL WASTE MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2025 and 2024

NOTE F – DEFERRED COMPENSATION PLAN AND DEFINED BENEFIT PENSION PLAN

The Authority offers an Internal Revenue Code (IRC) Section 457 deferred compensation plan and a Section 401(a) defined contribution retirement plan to all permanent employees. The plans are administered by MissionSquare Retirement.

Section 457(b) Plan: The 457 Deferred Compensation Plan and Trust (the 457 Plan) is a deferred compensation plan organized under Section 457 of the IRC. Benefit terms, including contribution requirements, are established and may be amended by the Board of Directors. Employees are eligible to participate at their hire date. The Plan allows covered employees to voluntarily contribute a portion of their pre-tax earnings to the Plan up to the limits specified in the IRC. In addition to employee contributions, if any, the Authority shall deposit in each active deferred compensation account an amount equal to \$200 each month for the Executive Director and \$100 each month for all other permanent employees. Employer contributions made to the Plan during the year ended June 30, 2025 were \$3,600 and employees made no contributions to the 457(b) Plan. Employee and employer contributions made to the Plan during the year ended June 30, 2024 were \$12,000 and \$4,600, respectively.

Section 401a Plan: The Section 401(a) Plan is a single-employer defined contribution pension plan available to all employees at their hire date. Benefit terms, including contribution requirements, are established and may be amended by the Board of Directors. Employees are allowed to voluntarily contribute to the 401(a) Plan up to the IRC limits. For each dollar an employee contributes to the 457(b) deferred compensation plan, up to 7% of the employee's base monthly salary including longevity pay, the Authority shall contribute one dollar to a 401(a) Plan. The employer contributions are subject to a 20% per year vesting schedule and participants would be fully vested upon completing five years of service or upon reaching the normal retirement age of 55. No contributions were made to the 401(a) Plan by the participants or Authority during the year ended June 30, 2025. Employer and employee contributions made to the Plan during the year ended June 30, 2024 were \$12,000 each.

NOTE G – CONTINGENCIES

The Authority's agreement with the City of Yuba City (City) for the household hazardous waste facility requires the property to be returned to the City in clean condition, free from any hazards or hazardous materials and requires the Authority to include the requirement for the facility operator to indemnify the City for any contamination of the property caused by the operations of the facility. The Authority would also have to remove the improvements made to the property at its own expense at the election of the City within 90 days after termination of the agreement. The election would be made by the City in the Notice of Termination required under the agreement. The City is required to provide four years notice to the Authority prior to termination of the agreement. It is uncertain whether this election will be made by the City. If the City elects to have the Authority remove the improvements to the property, the election would result in the need to accrue an asset retirement obligation (i.e. a liability) under GASB Statement No. 83. A liability has not been accrued as of the balance sheet date because it is not considered probable that the election will be made. This decision could change in the future.

The Agency did not increase surcharges after it hired staff necessary to comply with SB 1383, which became effective January 1, 2022, and has used available net position to fund the additional operating expenses. It is anticipated that a future increase in the current RWMA surcharge on municipal solid waste collection accounts will be necessary at some point in the future. The authority to increase that surcharge as necessary was granted to the RWMA in the JPA agreement approved in November 2021.

Agenda Item IV. – C

STAFF REPORT

ANNUAL FINANCIAL AUDIT AGREEMENT

BACKGROUND

California Government Code Section 26909 generally requires an annual audit of the accounts and records of each special district. The audit report must be filed with the California State Controller within 12 months after the end of the fiscal year or years examined. The statute permits the Board, by unanimous request, to replace the annual audit with a biennial or five-year audit, as allowed by law. RWMA has used Richardson & Company for many years to complete its financial audit and has received an engagement letter for the fiscal year ending June 30, 2026.

DISCUSSION

Richardson & Company, LLP has provided an engagement letter confirming their services to audit RWMA's financial statements for fiscal year ending June 30, 2026. Their scope includes:

- Auditing RWMA's financial statements for the year ending June 30, 2026;
- Providing reasonable assurance that the financial statements are free of material misstatement;
- Conducting the audits in accordance with generally accepted auditing standards (GAAS); and
- Issuing an auditor's report with their opinion upon completion.

The firm has proposed a fee structure of \$9,550 for FY 2025–26 with an option to extend the agreement for FY 2026-27 and FY 2027-28 for \$9,940 and \$10,340, respectively.

FISCAL IMPACT

The cost of the audit engagement with Richardson & Company, LLP will total \$9,550. The approval of this engagement does not result in any additional fiscal impact beyond what has already been budgeted.

RECOMMENDATION

Staff recommends that the Board:

1. Authorize Executive Director and Board Chair to execute engagement letter with Richardson & Company as proposed or amended.

ATTACHMENTS

- **Attachment I** – Engagement Letter for Financial Audit of FY 2025-26 and option to extend for FY 2026-27 and FY 2027-28.

August 14, 2026

To the Board of Directors and Management
Regional Waste Management Authority
423 4th Street, Fourth Floor M4
Marysville, CA 95901

We are pleased to confirm our understanding of the services we are to provide the Regional Waste Management Authority (the Authority) for the years ended June 30, 2026, 2027 and 2028.

Audit Scope and Objectives

We will audit the financial statements, and the disclosures, which collectively comprise basic financial statements of the Authority as of and for the year ended June 30, 2026 and, if the Authority elects to extend the agreement, the years ended June 30, 2027 and 2028. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Authority's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Authority's RSI in accordance with auditing standards generally accepted in the United States of America, if applicable. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis, if applicable.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue and auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles (GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement of a reasonable user made based on the financial statements.

Auditor's Responsibility for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS, we will exercise professional judgement and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement. Because of the importance of oral and written management representations to an effective audit, the Authority releases and indemnifies Richardson & Company, LLP and its personnel from any and all claims, liabilities, costs and expenses attributable to any known or negligently made misrepresentation or material omission of fact by management or the Board of Directors or at its direction.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the

confidentiality of your personal information. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures-Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

We have identified the following significant risks of material misstatement as part of our audit planning process, which are presumed to be risks to consider under GAAS:

- Improper revenue recognition and management override of controls.
- Understatement of expenses.
- Understatement of cost reimbursement grants

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Authority's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is

relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

Other Services

We will also assist in preparing the financial statements (including posting audit adjustments you approve) and related notes of the Authority in conformity with U.S. generally accepted accounting principles based on information provided by you.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide: oversee the services by designating an individual, preferably from senior management, with suitable skill knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement are the property of Richardson & Company, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available on request and in a timely manner to a regulator or its designee. We will notify you of any such request. The firm will also make available its workpapers and respond to all reasonable inquiries of successor auditors and

others to review workpapers of the Authority, upon the Authority's written request or consent. Access to such workpapers will be provided under the supervision of Richardson & Company, LLP personnel at a location designated by our Firm. Furthermore, upon your request or consent, we may provide photocopies of selected workpapers to a regulator the successor auditors or others. Regulators or its designee may intend to decide to distribute the copies or information contained therein to others, including other governmental agencies. All professional and administrative services and expenses relating to such access will be charged as an additional expense to the Authority. The workpapers for this or any engagement for you will be retained for a minimum of seven years after the date the auditor's report is issued, or longer if required by generally accepted auditing standards.

Brian Nash is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

In the event we are requested or authorized by you or required by government regulation, subpoena, or other legal process to produce our workpapers or our personnel to respond to inquiries or serve as witnesses with respect to this or any engagement for you, you will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, in responding to such a request. If such a request is made, and unless we are obligated by law or legal process to the contrary, we will inform you prior to providing such access.

If the Authority intends to publish or otherwise reproduce in any document our report on the Authority's financial statements, or otherwise make reference to our Firm in a document that contains other information in addition to the audited financial statements (e.g., in a debt offering circular for example), the Authority agrees that prior to making any such use of our report, or reference to our Firm, management will provide us with a draft of the document to read and obtain our approval for the inclusion or incorporation by reference of our report, or the reference to our Firm, in such document before the document is printed and distributed. The inclusion or incorporation by reference of our report in any such document would constitute the reissuance of our report and any request by the Authority to reissue our report or to consent to its inclusion or incorporation by reference in an offering or other document will be considered based on the facts and circumstances existing at the time of such request. The estimated fees outlined herein do not include any services that would need to be performed in connection with any such request to make use of our report, or reference to our Firm; fees for such services would be based upon the rates for additional services as described in the Professional Fees section of this letter.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, if applicable, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Our Firm, as well as all other accounting firms with a significant audit practice, participates in a "peer review" program, covering our audit and accounting practices. This program requires that once every three years we subject our quality assurance practices to an examination by another accounting firm. As part of the process, the other firm will review a sample of our work. It is possible that the work we perform for you may be selected by the other firm for their review. If it

is, they are bound by professional standards to keep all information confidential. If you object to having the work we do for you reviewed by our peer reviewer, please notify us.

Professional Fees

Our fees for the year ended June 30, 2026 will be \$9,550 and, if the Authority elects to extend the agreement, the fees for the years ended June 30, 2027 and 2028 will be \$9,940 and \$10,340, respectively. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. The estimated fee assumes that Authority will complete the Management Discussion and Analysis portion of the financial statements, if applicable, and that management will post entries needed to report Authority's activity on the accrual basis. To the extent possible, we will utilize your existing schedules and workpapers in our audit process. If significant additional time is necessary for the preparation or reconciliation of schedules due to significant changes in accounting principles or auditing standards or the loss of key personnel or if our current understanding and/or expectations are not met because the Authority's books were not closed and additional time is necessary, we will discuss it with you and arrive at a new fee estimate.

Additional Services: If it should become necessary for Authority to request that we render any additional services to either supplement the audit services requested or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between Authority and the firm. Any such additional work agreed to between Authority and the firm shall be performed at our regular rates per hour as follows:

Classification	Rate Per Hour
Partner	\$ 240
Tax Director	300
Senior Manager	225
Managers	200
Supervisors	180
Seniors	140
Staff	130
Administrative or Clerical	75

If any provision in this letter is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

Reporting

We will issue a written report upon completion of our audit of the Authority's financial statements. Our report will be addressed to the Board of Directors of the Authority. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified,

we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue reports, or we may withdraw from this engagement.

* * *

We appreciate the opportunity to be of service to Regional Waste Management Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

RICHARDSON & COMPANY, LLP



Brian N. Nash, CPA
Partner

RESPONSE: This letter correctly sets forth the understanding of Regional Waste Management Authority.

Board Member:

Management:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____