

MIDWAY CITY SANITARY DISTRICT

**BOARD OF DIRECTORS
REGULAR MEETING AGENDA
DISTRICT OFFICE
BOARD ROOM
14451 CEDARWOOD STREET
WESTMINSTER, CA 92683**

**Tuesday, November 19, 2024
5:30 P.M.**

OUR MISSION STATEMENT

THE BOARD OF DIRECTORS AND EMPLOYEES OF THE MIDWAY CITY SANITARY DISTRICT WORK DILIGENTLY TO PROVIDE SEWER AND SOLID WASTE SERVICES TO THE RESIDENTS OF THE DISTRICT. OUR TOP PRIORITY IS TO ACCOMPLISH THIS IN AN ETHICAL, EFFICIENT, AND COST-EFFECTIVE MANNER THAT WILL PROTECT THE HEALTH AND SAFETY OF THOSE WE SERVE.

In accordance with the requirements of California Government Code Section 54954.2, this Agenda is posted not less than 72 hours prior to the meeting date and time above. All written materials relating to each agenda item are available for public inspection in the office of the Board Secretary.

In the event any matter not listed on this agenda is proposed to be submitted to the Board for discussion and/or action, it will be done in compliance with Section 54954.2, or as set forth on a Supplemental Agenda posted not less than 72 hours prior to the meeting.

Please Note: The District complies with the provisions of the Americans with Disabilities Act (ADA). Anyone needing special assistance please contact the District's Secretary at (714) 893-3553, at least one business day prior to the meeting so that we may accommodate you.

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE AND INVOCATION

2. ROLL CALL AND DECLARATION OF QUORUM

3. PUBLIC COMMENTS

All persons wishing to address the Board on specific Agenda items or matters of general interest should do so at this time. As determined by the President, speakers may be deferred until the specific item is taken for discussion and remarks may be limited to three (3) minutes.

4. PRESENTATIONS - None

5. APPROVAL OF THE MINUTES

A. Approve Minutes of the Regular Board of Directors Meeting on November 5, 2024

6. REPORTS

The President, General Manager, Legal Counsel, and other staff present verbal reports on miscellaneous matters of general interest to the Directors. These reports are for information only and require no action by the Directors.

- A. Report of President
- B. Report of General Manager
- C. Report of Director of Services & Program Development
- D. Report of Outreach Committee Meeting on November 6, 2024
- E. Report of Franchise Committee Meeting on November 7, 2024
- F. Report of Radio Outreach with VietLink on November 8, 2024
- G. Report of Radio Outreach with Radio Bolsa on November 12, 2024

7. CONSENT CALENDAR

All matters listed on the Consent Calendar are considered routine and will be acted upon at the same time unless separate discussion and/or action is requested by a Board Member, the public, or staff.

- A. Receive and File the Register of Demands in the Amount of \$617,046.66
- B. Approve and File the Treasurer's Investment Report for October 2024
- C. Approve the November 6, 2024 Outreach Committee Report and Recommendations
- D. Approve the November 7, 2024 Franchise Committee Report and Recommendations
- E. Receive and File the Engineer Report for October 2024

8. OLD BUSINESS - None**9. NEW BUSINESS**

- A. Approve the Fiscal Year 2023-24 Independent Financial Audit Report for Midway City Sanitary District (July 1, 2023 through June 30, 2024)
- B. Approve and Authorize the General Manager to Execute a Professional Services Agreement (PSA) with LAN WAN Enterprise, Inc. for Information Technology Managed Services Provider (MSP) and Cybersecurity Services
- C. Approve and Authorize the General Manager to Execute a Professional Services Agreement (PSA) with Navigating Preparedness Associates, LLC for Preparation of Local Hazard Mitigation Plan

10. INFORMATIONAL ITEMS

- A. 2025 Board Meeting Calendar

11. BOARD CONCERNS AND COMMENTS

12. GM/STAFF CONCERNS AND COMMENTS

13. GENERAL COUNSEL CONCERNS AND COMMENTS

14. CLOSED SESSION ITEMS - None

CLOSED SESSION: During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chair may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters, pursuant to Government Code Sections 54956.8, 54956.9, 54957 or 54957.6, as noted.

Reports relating to (a) purchase and sale of property; (b) matters of pending or potential litigation; (c) employment actions or negotiations with employee representatives; or which are exempt from public disclosure under the California Public Records Act, may be reviewed by the Board during a permitted closed session and are not available for public inspection. At such time as the Board takes final action on any of these subjects, the minutes will reflect all required disclosures of information.

15. ADJOURNMENT TO TUESDAY, DECEMBER 3, 2024

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE MIDWAY CITY
SANITARY DISTRICT OF ORANGE COUNTY
14451 CEDARWOOD STREET
WESTMINSTER, CA 92683**

November 5, 2024

CALL TO ORDER

President Pro-Tem C. Nguyen called the Regular Meeting of the Governing Board of the Midway City Sanitary District to order at 5:31 P.M., on Tuesday, November 5, 2024, at 14451 Cedarwood Street, Westminster, California.

ROLL CALL

PRESENT: Mark Nguyen (arrived at 5:38 P.M.)
Tyler Diep
Chi Charlie Nguyen
Sergio Contreras (arrived at 5:32 P.M.)
Andrew Nguyen

ABSENT: None

STAFF PRESENT: Robert Housley, General Manager
Gordon Copley, Director of Finance
Milo Ebrahimi, District Engineer, P.E.
Cynthia Olsder, Board Secretary

OTHERS PRESENT: James H. Eggart, General Counsel, Woodruff & Smart
Michael Verrenga, Resident of Westminster
Terry Rains, Resident of Westminster

PLEDGE OF ALLEGIANCE AND INVOCATION

Director A. Nguyen led the Pledge of Allegiance.

Director S. Contreras arrived at 5:32 P.M.

Director T. Diep conducted the Invocation.

ROLL CALL AND DECLARATION OF QUORUM

Board Secretary C. Olsder announced a quorum.

PUBLIC COMMENTS

M. Verrenga voiced his discontent with some of the City of Westminster's Council members.

T. Rains questioned the District's spending, then emphasized the importance of supporting the City of Westminster's Tet Parade. She discussed the upcoming elections, sharing her preferred candidates

and those she hoped would not be elected. Additionally, she expressed frustration at the City of Westminster council meetings, criticizing the actions of certain Council members.

President M. Nguyen arrived at 5:38 P.M. and assumed chairmanship of the meeting.

APPROVAL OF MINUTES

A. Approve Minutes of the Regular Board of Directors Meeting on October 15, 2024

A motion was made by Director T. Diep, seconded by Director A. Nguyen, to approve the minutes of the regular meeting on October 15, 2024. The motion was approved by the following 5-0 vote:

- AYES: A. Nguyen, M. Nguyen, C. Nguyen, T. Diep, and S. Contreras
- NAYS: None
- ABSTAIN: None
- ABSENT: None

REPORTS

Report of President

President M. Nguyen wishes the two incumbent Directors the best of luck on election day.

Report of the General Manager

GM R. Housley reported on both past and upcoming District events covering topics such as the 2025 CSDA membership, driver’s safety training, IT RFP, EV trash truck, and a letter of appreciation from a resident to staff.

Report of the Director of Services & Program Development

None.

Report of Townsend Public Affairs Event on October 17, 2024

Director A. Nguyen attended the event with Director C. Nguyen and reported that the event was an excellent opportunity to network.

Report of Radio Outreach with Me Vietnam on October 18, 2024

Director S. Contreras and Director A. Nguyen reported that they attended the recording to inform residents of SB 1383 regulations, District services, and upcoming events.

Report of OC San Board of Directors Meeting on October 23, 2024

Director A. Nguyen reported that OC San has launched a newly designed website that is now live and accessible. Additionally, OC San’s annual report for fiscal year 2023-2024 is now available online.

Report of OC Tax 14th Annual Roses and Radishes on October 23, 2024

Director T. Diep reported that he attended the event with Staff where the District received an honorable mention for having one of the lowest trash fees in Orange County.

Report of State of OC San Special Meeting on October 25, 2024

Director C. Nguyen, Director A. Nguyen, and Director T. Diep reported that they attended the luncheon where OC San discussed about their accomplishments and exciting advances.

Report of ISDOC Quarterly Luncheon on October 30, 2024

Director A. Nguyen and Director S. Contreras reported that they attended the luncheon to hear guest speakers share their extensive expertise and life experiences.

Report of District Employee Luncheon on October 30, 2024

President M. Nguyen and Director T. Diep reported that they attended the luncheon to recognize some exceptional employees.

CONSENT CALENDAR

- A. Receive and File the Register of Demands in the Amount of \$495,690.79
- B. Approve and File the Treasurer’s Investment Report for September 2024
- C. Receive and File the 1st Quarter 2024-2025 Fiscal Year Financial and Budget Reports
- D. Receive and File the California Employers’ Retiree Benefit (CERBT) Account Update Summary as of September 30, 2024
- E. Receive and File the California Employers’ Pension Prefunding Trust (CEPPT) Account Update Summary as of September 30, 2024

A motion was made by Director C. Nguyen, seconded by Director A. Nguyen, to approve the Consent Calendar. The motion was approved by the following 5-0 vote:

AYES: A. Nguyen, M. Nguyen, C. Nguyen, T. Diep, and S. Contreras
 NAYS: None
 ABSTAIN: None
 ABSENT: None

OLD BUSINESS - None

NEW BUSINESS

- A. Approval of 2024-2027 Memorandum of Understanding (MOU) Between the Midway City Sanitary District and American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO LOCAL 1734-01

A staff report and recommendations were provided to and considered by the Board. A motion was made by Director S. Contreras, seconded by Director A. Nguyen, to approve the three-year Memorandum of Understanding (MOU) between the Midway City Sanitary District and AFSCME AFL-CIO Local 1734-01. The motion was approved by the following 5-0 vote:

AYES: A. Nguyen, M. Nguyen, C. Nguyen, T. Diep, and S. Contreras
 NAYS: None
 ABSTAIN: None
 ABSENT: None

B. A RESOLUTION NO. 2024-21 FIXING THE EMPLOYER CONTRIBUTION UNDER THE PUBLIC EMPLOYEES’ MEDICAL AND HOSPITAL CARE ACT AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS (PERS ALL EMPLOYEES)

A staff report and recommendations were provided to and considered by the Board. A motion was made by Director C. Nguyen, seconded by Director S. Contreras, to adopt Resolution No. 2024-21 as presented at the meeting. The motion was approved by the following 5-0 roll call vote:

AYES: A. Nguyen, M. Nguyen, C. Nguyen, T. Diep, and S. Contreras
NAYS: None
ABSTAIN: None
ABSENT: None

C. A RESOLUTION NO. 2024-22 FIXING THE EMPLOYER CONTRIBUTION UNDER THE PUBLIC EMPLOYEES’ MEDICAL AND HOSPITAL CARE ACT AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS (NON-PERS BOARD OF DIRECTORS)

A staff report and recommendations were provided to and considered by the Board. A motion was made by President M. Nguyen, seconded by Director A. Nguyen, to adopt Resolution No. 2024-22 as presented at the meeting. The motion was approved by the following 5-0 roll call vote:

AYES: A. Nguyen, M. Nguyen, C. Nguyen, T. Diep, and S. Contreras
NAYS: None
ABSTAIN: None
ABSENT: None

D. A RESOLUTION NO. 2024-23 ELECTING TO ADOPT PUBLIC AGENCY VESTING UNDER SECTION 22893 OF THE PUBLIC EMPLOYEES’ MEDICAL AND HOSPITAL CARE ACT

A staff report and recommendations were provided to and considered by the Board. A motion was made by Director A. Nguyen, seconded by Director S. Contreras, to adopt Resolution No. 2024-23 as presented at the meeting. The motion was approved by the following 5-0 roll call vote:

AYES: A. Nguyen, M. Nguyen, C. Nguyen, T. Diep, and S. Contreras
NAYS: None
ABSTAIN: None
ABSENT: None

E. A RESOLUTION NO. 2024-24 OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, ADOPTING THE 2024-2025 SALARY SCHEDULE FOR REPRESENTED EMPLOYEES

A staff report and recommendations were provided to and considered by the Board. A motion was made by Director C. Nguyen, seconded by Director A. Nguyen, to adopt Resolution No. 2024-24 as presented at the meeting. The motion was approved by the following 5-0 roll call vote:

AYES: A. Nguyen, M. Nguyen, C. Nguyen, T. Diep, and S. Contreras
NAYS: None
ABSTAIN: None
ABSENT: None

F. A RESOLUTION NO. 2024-25 OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, ADOPTING THE 2024-2025 SALARY SCHEDULE FOR NON-REPRESENTED EMPLOYEES

A staff report and recommendations were provided to and considered by the Board. A motion was made by Director A. Nguyen, seconded by President M. Nguyen, to adopt Resolution No. 2024-25 as presented at the meeting. The motion was approved by the following 5-0 roll call vote:

AYES: A. Nguyen, M. Nguyen, C. Nguyen, T. Diep, and S. Contreras
NAYS: None
ABSTAIN: None
ABSENT: None

G. Consider Sponsorship of the City of Westminster’s Tet Parade

Director C. Nguyen recused himself from the matter and left the room.

A staff report and recommendations were provided to and considered by the Board. A motion was made by Director T. Diep, seconded by President M. Nguyen, to approve the District’s participation, the provision of in-kind services, and a sponsorship at the \$5,000 level, and to designate Director A. Nguyen as the District’s liaison to meet with the parade organizers, along with Director of Services and Program Development, A. Davies, and to appoint Director S. Contreras as an alternate. The motion was approved by the following 4-0 vote:

AYES: A. Nguyen, M. Nguyen, T. Diep, and S. Contreras
NAYS: None
ABSTAIN: None
ABSENT: C. Nguyen

INFORMATIONAL ITEMS

- A. OC LAFCO’s Fall Edition of “The Pulse”
- B. 2024 Board Meeting Calendar

Receive and File.

Director C. Nguyen returned to the room.

BOARD CONCERNS AND COMMENTS

The Directors thanked staff.

Director T. Diep stated that he’s aware of the situation unfolding in the City of Westminster. He pointed out that no one should be held accountable for the actions of others. In addition, he extended his best wishes to President M. Nguyen for success in his race for the City Council seat in Westminster.

GENERAL MANAGER AND STAFF CONCERNS AND COMMENT

None

GENERAL COUNSEL CONCERNS AND COMMENTS

None

CLOSED SESSIONS - None

CLOSED SESSION: During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chair may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters, pursuant to Government Code Sections 54956.8, 54956.9, 54957 or 54957.6, as noted.

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ADJOURNMENT

President M. Nguyen adjourned the meeting at 6:06 P.M. to the next Board Meeting to be held at the District on Tuesday, November 19, 2024, at 5:30 P.M.

Andrew Nguyen, Secretary

AGENDA ITEM 7A

Date: November 19, 2024
To: Board of Directors
From: Robert Housley, General Manager
Prepared by: Mariana Sanchez, Accountant
Subject: Receive and File the Register of Demands in the Amount of \$617,046.66

BACKGROUND

The laws of the State of California governing Special Districts provide that the Midway City Sanitary District Board of Directors shall review for approval all payments made by the District.

A Register of Demands is provided at each regular Midway City Sanitary District Board Meeting describing each payment made or to be made by the district during the specified period. The report is designed to communicate fiscal activity based on adopted and approved budget appropriations.

The Treasurer has duly reviewed the demands on the attached register.

FISCAL IMPACT

The total value of demand for this period is \$617,046.66. This includes expenses, payroll, and payroll-related disbursements.

Sufficient funds are available to process all payments.

STAFF RECOMMENDATION

Staff recommends that the Board of Directors review and file the attached Register of Demands.

ATTACHMENTS

1. Disbursement Details for November 19, 2024

Midway City Sanitary District

Accounts Payable Expenditures, Payments, Payroll, and ACH Payment(s) Report

Prepared for Board Meeting held on November 19, 2024

Type	Num	Date	Name	Memo	Paid Amount
Check	16149	10/24/2024	AT&T (Brookhurst Lift Station)	Acct # 714 531-0272 115 1	
Bill	7145310272 10/24	10/13/2024		Brookhurst Oct-2024	601.27
					601.27
Check	16150	10/24/2024	Bodyworks Equip. Inc.		
Bill	48697	10/13/2024		Interface Box (2), Husco Control Box (2), Spring (10), Coil A. (5), Grip Belt (10), RR Cylinder ...	5,656.72
Bill	48723	10/22/2024		Control Box Harness (1)	584.55
					6,241.27
Check	16151	10/24/2024	Cameron Welding Supply	PO# 28696	
Bill	1667431-00	10/11/2024		Propane, Liquefied (2)	95.35
					95.35
Check	16152	10/24/2024	City Green Consulting, LLC	SB1383 Program Assistance Services	
Bill	SWC-24-25-5	09/30/2024		SB1383 Implemenation (37.5) 09/01/2024 - 09/30/2024	6,201.25
					6,201.25
Check	16153	10/24/2024	City of Westminster	Westminster Blvd Street Improvements	
Bill	216	09/11/2024		Adjust Manhole to Grade - Goldenwest St. to Hoover Ave.	9,100.00
					9,100.00
Check	16154	10/24/2024	Clean Energy	Cust # 124470 Order # FSO1471534	
Bill	CEW12726309	10/18/2024		Gauge Diff Pres 1PSI DPH-15 (2)	1,300.41
					1,300.41
Check	16155	10/24/2024	CRC Cloud		
Bill	2103187	10/17/2024		HP EliteBook 660 Notebook PC, Logitech Pebble Wireless Mouse - G.Copley	1,890.30
Bill	2103188	10/17/2024		Setup Finance Computer for New Director	275.00
					2,165.30
Check	16156	10/24/2024	CSDA	Membership ID: 172	
Bill	2025 Membership Dues	10/01/2024		2025 Membership Dues	9,627.00
					9,627.00
Check	16157	10/24/2024	Cummins Pacific LLC		
Bill	W7-241035424	10/08/2024		Class ID: 94200 The EPA 2007-2018 Automotive Natural Gas Qualifaicion Class - C.Gomez	2,700.00
Bill	W7-241035426	10/08/2024		Class ID: 94200 The EPA 2007-2018 Automotive Natural Gas Qualifaicion Class - R.Martinez	2,700.00
					5,400.00
Check	16158	10/24/2024	Delafield Corporation	Cust No. MID101	
Bill	507124	10/14/2024		Hose Assy, CNG (1)	655.00
					655.00
Check	16159	10/24/2024	Dtntech	2025 Calendar	
Bill	QU-2030	09/26/2024		2025 District Calendar Printing & Mailing	44,413.74
					44,413.74
Check	16160	10/24/2024	Eduardo Ceja	District Luncheon 2024_10_30	
Bill	20241030	10/30/2024		Tacos for Employee Lunch 10/30/24	650.00
					650.00
Check	16161	10/24/2024	Empire Pipe Cleaning and Equipment, Inc.	CCTV Video Inspection & Cleaning Project	
Bill	12626	10/10/2024		Cleaning/CCRC Inspection 8" Gravity Sewer Mains (33358.00 LF)	47,701.94
				Cleaning/CCRC Inspection 10" Gravity Sewer Mains (5681.60 LF)	9,942.80
				Cleaning/CCRC Inspection 12" Gravity Sewer Mains (6842.80 LF)	14,164.60
				Cleaning/CCRC Inspection 15" Gravity Sewer Mains (3598.10 LF)	8,779.36
				Cleaning/CCRC Inspection 18" Gravity Sewer Mains (2877.40 LF)	8,776.07
				Inspection Manholes (71)	12,425.00
					101,789.77

Type	Num	Date	Name	Memo	Paid Amount
Check	16162	10/24/2024	Haaker Equipment Co.	Customer # 129	
Bill	C1AFQC	09/04/2024		NG-12 25' F/CAM x FEM/HYD (2)	492.34
					492.34
Check	16163	10/24/2024	HB Staffing/Cathyjon Enterprises, Inc.	Client# 341347	
Bill	4473807	10/17/2024		Engineering Asistant (34.0) 10/07/24-10/11/24	1,340.28
				Project Manager (40.0) 10/07/24-10/11/24	2,207.60
					3,547.88
Check	16164	10/24/2024	Rutan & Tucker, LLP	Account # 014843-0001	
Bill	1008129	09/30/2024		Legal Services (12.90) Sept-2024	3,741.00
					3,741.00
Check	16165	10/24/2024	Safety-Kleen Systems, Inc.	Customer# MI47237, PO# 28701	
Bill	95564106	10/10/2024		AW 46 Hydraulic oil (61), 15W-40NGP (91)	2,195.12
					2,195.12
Check	16166	10/24/2024	SoCal Auto & Truck Parts, Inc.		
Bill	623507	10/18/2024		Brake Parts Cleaner (24), Electronic Cleaner (24), Tran Flu Qt (12), Carb-Choke Clnr (12)	429.73
Bill	623635	10/21/2024		M2 - Napa Gold Oil Fileter (1), Napa Gold Air Filter (1) Mobil 1 EP 5W20 (6)	63.69
					493.42
Check	16167	10/24/2024	SoCal First Aid & Safety		
Bill	42-104481	10/23/2024		Restock first aid kits	601.65
					601.65
Check	16168	10/24/2024	Southern California Edison	Acct # 700884706025	
Bill	700884706025 10/24	10/17/2024		Cedarwood 9/18/24 - 10/16/24	6,991.41
					6,991.41
Check	16169	10/24/2024	TEC Of California, Inc.		
Bill	1470098L	10/11/2024		Valve (2), Ad-Sk-Coal (4), Air Filter (2)	533.12
Bill	1471746L	10/21/2024		NG-15 Power Steering (1), Gasket (1)	889.83
					1,422.95
Check	16170	10/24/2024	UniFirst Corporation		
Bill	2190246666	10/18/2024		Oct - 2024	235.60
Bill	2190246667	10/18/2024		Oct - 2024	83.30
Bill	2190246669	10/18/2024		Oct - 2024	19.05
Bill	2190246668	10/18/2024		Oct - 2024	583.09
					921.04
Check	16171	10/25/2024	Discover Science Center of Orance County		
Bill	2012	10/25/2024		SB1383 Ed Outreach Greener Pathways Environmental (Qty 450)	7,650.00
					7,650.00
Check	16172	10/31/2024	Advanced Workplace Strategies, Inc.	Cust # 1973	
Bill	636072	10/28/2024		Annual Renewal Fee for FMCSA Consortium Membership 10/2024 - 09/2025	504.00
					504.00
Check	16173	10/31/2024	Clean Energy		
Bill	CEW12728293	10/25/2024		CNG Station Remote Reset - 10/24/24	35.23
Bill	CEW12728025	10/25/2024		Monthly Maint CNG Station Oct-2024	1,957.16
					1,992.39
Check	16174	10/31/2024	Cordova Media Group LLC	Social Media Mgt (3x/Week) Oct - 2024	
Bill	0166	10/30/2024		Social Media Mgt (3x/week) Oct - 2024	1,750.00
					1,750.00
Check	16175	10/31/2024	CRC Cloud		
Bill	2103097	08/31/2024		Setup Computer for M.Jimenez	275.00
Bill	2103183	11/01/2024		Maintenance & Support Nov-2024	2,541.00
					2,816.00
Check	16176	10/31/2024	Daniels Tire Service	Cust # 2002338 Ref # 937835	
Bill	200520486	10/25/2024		315/80R225 PC G289T (8), 315/80R225 Radial Casing (8)	3,301.46
					3,301.46

Type	Num	Date	Name	Memo	Paid Amount
Check	16177	10/31/2024	Frontier Communications	Acct # 209-188-5155-071808-5	
Bill	MCSD 10/19/2024	10/19/2024		(714)903-1863 Willow Oct-2024	203.24
				(714)903-6154 Westminster Oct-2024	203.50
				(714)903-6274 Hammon Oct-2024	203.30
				(714)897-5136 District Offices Oct-2024	115.98
					726.02
Check	16178	10/31/2024	Golden Trophy & Promotions		
Bill	GTP-3389	10/17/2024		BOD Bronze Plaques (2)	574.18
					574.18
Check	16179	10/31/2024	HB Staffing/Cathyjon Enterprises, Inc.	Client# 341347	
Bill	4477773	10/24/2024		Engineering Asistant (33.0) 10/14/24-10/18/24	1,300.86
				Project Manager (40.0) 10/14/24-10/18/24	2,207.60
					3,508.46
Check	16180	10/31/2024	Hillco Fastener Warehouse Inc.		
Bill	5385210	10/25/2024		1/4-20 Hex Flange Nut Zinc	6.03
Bill	5385290	10/28/2024		1/2-13 Coupling nut (5), 1/4 USS Heavy Duty Flat Washer (50), 1/4 USS Flat Wsher (100), 3/4 SAE ...	182.91
					188.94
Check	16181	10/31/2024	Motion and Flow Control Products, Inc.	PO # 28723 ID#176382	
Bill	9287276	10/23/2024		Crimp, 1" Female (10), Crimp, 3/4" Female (6), Parker Female (7)	625.59
					625.59
Check	16182	10/31/2024	Odyssey Power Corporation		
Bill	140456	10/30/2024		Generator PM Hammon Lift Station 10/23/24	875.00
Bill	140458	10/30/2024		Generator PM Westminster Lift Station 10/23/24	875.00
Bill	140460	10/30/2024		Generator PM District Yard 10/23/24	2,200.00
					3,950.00
Check	16183	10/31/2024	Pre-Paid Legal Services, Inc.	Group #155124	
Bill	155124 102524	10/25/2024		Prepaid Legal Oct-2023	33.90
					33.90
Check	16184	10/31/2024	PumpMan	SRO0004985	
Bill	803432	10/21/2024		DIN-Rail Power Supply, Screw-Clamp Terminals, 24V, 10A, Replace power supply, Re-install Contactor	1,480.00
					1,480.00
Check	16185	10/31/2024	SDRMA - Claims	Claim # AD2425009512-0001, Ref# C00588	
Bill	C00588	10/28/2024		Claim Incident dated 08/20/2024	1,000.00
					1,000.00
Check	16186	10/31/2024	Sign Design	MCSD	
Bill	85097	10/03/2024		EV Stakebed Truck - MCSD Tailgate Decal	194.44
					194.44
Check	16187	10/31/2024	Snap-On Tools	PO# 28724	
Bill	10232494334	10/23/2024		Classid Red Bulb Circuit Tester (1), 1/2DR 6PT 7/16" SHL Imp Socket (1), 1/2DR 6PT 3/4" SHI IMP ...	143.12
					143.12
Check	16188	10/31/2024	Southern California Edison	Acct # 700472251517	
Bill	700472251517 102024	10/18/2024		Willow Oct-2024	171.50
				Brookhurst Oct-2024	121.38
				Hammon Oct-2024	628.58
				Westminster Oct-2024	1,368.85
					2,290.31
Check	16189	10/31/2024	Stater Bros Market #27	Employee Recognition Gift Cards	
Bill	Holiday Gift Cards	10/31/2024		(5) Stater Bros Gift Cards (Less 2% Discount) for holiday party	980.00
					980.00
Check	16190	10/31/2024	TEC Of California, Inc.	PO# 28680	
Bill	1470366L	10/21/2024		NG-1 Motor Wiper (2), Wiper Arm (2), Pivot (2), Wiper Blade (2)	1,765.43
					1,765.43

Type	Num	Date	Name	Memo	Paid Amount
Check	16191	10/31/2024	Tiffany Pham	Refund - Overpayment Permit# 7534	
Bill	Permit# 7534	10/24/2024		Refund - Duplicate payment Permit# 7534	200.00
					200.00
Check	16192	10/31/2024	UniFirst Corporation		
Bill	2190250091	10/25/2024		Oct - 2024	235.60
Bill	2190250092	10/25/2024		Oct - 2024	83.30
Bill	2190250094	10/25/2024		Oct - 2024	19.05
Bill	2190250093	10/25/2024		Oct - 2024	59.85
					397.80
Check	16193	11/07/2024	Adrian Gutierrez	Refund - Extra Cart Fee	
Bill	10/31/2024	10/31/2024		Refund - Extra Cart Fee for FY 2023-24	38.07
					38.07
Check	16194	11/07/2024	Advanced Thermal Products, Inc	PO # 425NG-20	
Bill	241242	11/06/2024		NG-20 Firewall Insulation	2,142.00
					2,142.00
Check	16195	11/07/2024	AT&T Mobility (First Net)	Acct # 287347891227	
Bill	287347891227X1104202	10/26/2024		Camera#1 - 949.508.8152	86.54
				Camera#2 - 949.508.8431	86.54
				Camera#3 - 949.527.2176	86.54
					259.62
Check	16196	11/07/2024	Bodyworks Equip. Inc.	PO# 28666	
Bill	48865	11/05/2024		Decal Kit (10)	2,468.83
					2,468.83
Check	16197	11/07/2024	Clean Energy	Cust # 124470 Order # FSO1476519	
Bill	CEW12730961	11/04/2024		CNG Compressor Repairs - MCSD Yard	317.06
					317.06
Check	16198	11/07/2024	Cordova Media Group LLC		
Bill	0174	11/04/2024		Social Media Mgt (3x/week) Nov - 2024	1,750.00
Bill	0165	11/04/2024		85th Anniversary Social Media Coverage	450.00
					2,200.00
Check	16199	11/07/2024	CR&R Incorporated	Acct # 63-0001259-2	
Bill	194125	10/31/2024		Clean up Event Russell Paris Park (7.10) 10/12/24	589.09
					589.09
Check	16200	11/07/2024	Cummins Pacific LLC	PO# 28735	
Bill	X5-241030854	10/31/2024		NG-15 Seal, O Ring (33), Gasket, Int Manifold Cover (2)	677.90
					677.90
Check	16201	11/07/2024	Daniels Tire Service	Cust # 2002338 Ref # 940473	
Bill	200521600	11/04/2024		Recap Tires (10)	2,410.97
					2,410.97
Check	16202	11/07/2024	Hillco Fastener Warehouse Inc.	Order No. 01391337	
Bill	5385592	11/04/2024		M6-1.00 x 20MM Hex Flange (25), M6-1.00 x 50MM Hex Flange (10)	9.74
					9.74
Check	16203	11/07/2024	Los Angeles Freightliner	Deal# DE-08836-1	
Bill	W64657	10/31/2024		2024 Rizon E18L (VIN# JL6CCK135RK004398)	73,330.59
					73,330.59
Check	16204	11/07/2024	Motion and Flow Control Products, Inc.	PO # 28723 ID#176382	
Bill	9299746	11/05/2024		Parker Female (13)	260.12
					260.12
Check	16205	11/07/2024	Rehrig Pacific Company		
Bill	50432120	11/05/2024		65G Black Carts (936)	48,720.09
					48,720.09
Check	16206	11/07/2024	Safety-Kleen Systems, Inc.	Customer# M147237, PO# 28722	
Bill	95620616	10/25/2024		30G Parts Washer	288.41
					288.41

Type	Num	Date	Name	Memo	Paid Amount
Check	16207	11/07/2024	SDRMA - Employee Benefits	Member # 7732	
Bill	H46769	12/01/2024		December - 2024	665.59
				December - 2024	1,584.98
				December - 2024	813.70
				December - 2024	527.36
				December - 2024	453.41
				December - 2024	121.96
				December - 2024	250.81
				December - 2024	97.42
				December - 2024	98.48
				December - 2024	48.71
					4,662.42
Check	16208	11/07/2024	Snap-On Tools	PO# 28733	
Bill	10302494556	10/30/2024		14.4v 2.5 Ahr Battery (1), 18v 5ah L-ION Battery (1)	366.38
					366.38
Check	16209	11/07/2024	SoCal Auto & Truck Parts, Inc.	PO# 28726	
Bill	624377	10/30/2024		Large Gloves (1), Milwaukee (1), Tape (10), Ptex Thrd Seal Tape (10), Hose Clamp (40)	441.63
					441.63
Check	16210	11/07/2024	Standard Insurance Company Life	Policy # 00 141873 0003	
Bill	001417830003 11/2024	11/01/2024		November - 2024	636.80
				November - 2024	197.44
				November - 2024	238.96
				November - 2024	436.16
				November - 2024	96.00
					1,605.36
Check	16211	11/07/2024	Staples Business Credit	Acct # 10181543LA	
Bill	7002736547	10/25/2024		Office Supplies Oct-2024	674.22
					674.22
Check	16212	11/07/2024	TEC Of California, Inc.		
Bill	1472784L	10/30/2024		NG-13 Seat (1)	735.29
Bill	1473351L	10/31/2024		NG-13 Kit, Air Compressor (1), Gasket (1)	4,592.67
Bill	1473475L	10/31/2024		Brake Kit (3), Pallet of 5112 (2), Reman Shoe (2), Assy, Asa (2)	862.44
Bill	1474130L	11/05/2024		NG-15 Kit-Clevis (4)	88.49
Bill	1474341L	11/06/2024		NG-15 Gaket (2)	15.46
					6,294.35
Check	16213	11/07/2024	Underground Service Alert	MCSDDIST	
Bill	1020240441	10/31/2024		Underground Dig Alerts October-2024 (7)	22.95
					22.95
Check	16214	11/07/2024	UniFirst Corporation		
Bill	2190253248	11/01/2024		Nov - 2024	235.60
Bill	2190253249	11/01/2024		Nov - 2024	83.30
Bill	2190253250	11/01/2024		Nov - 2024	64.63
Bill	2190253251	11/01/2024		Nov - 2024	19.05
					402.58
Check	16215	11/07/2024	Orange County Sanitation District	MCSD October Permit Fees 2024	
Bill	Permit Fees Oct-2024	10/31/2024		Permit Fees Oct-2024	30,399.56
					30,399.56
Check Total					\$423,301.15
ACH Payment	FY25M1036	10/20/2024	Paychex	Acct # Y4807254	
Bill	6616393	10/05/2024		Time & Attendance Oct 2024	401.38
					401.38
ACH Payment	FY25M1035	10/25/2024	WEX Health Inc	Customer ID 45927	
Bill	0002035719-IN	09/30/2024		Monthly HRA Admin Fee Aug 2024	30.00
				Monthly HRA Admin Fee Aug - 2024	48.00
					78.00
ACH Payment	1002763497	10/25/2024	CalPERS - Health Benefits	6882866561	
Bill	17710635	11/01/2024		2024_11	9,825.16
				2024_11	25,905.23
				2024_11	15,462.02
				2024_11	7,807.66
				2024_11	3,000.44
				2024_11	6,201.82
				2024_11	6,854.45
				2024_11	448.15
					75,504.93

Type	Num	Date	Name	Memo	Paid Amount
ACH Payment	1002763499	10/25/2024	CalPERS - Health Benefits	6882866561	
Bill	17710636	11/01/2024		2024_11	7,030.26
					7,030.26
ACH Payments Total					\$83,014.57
Payroll		10/30/2024		Employee Payroll	102,443.61
Payroll		11/01/2024		Board Payroll	8,287.33
Payroll Total					\$110,730.94
Total Disbursements					\$617,046.66
Transfers					
Transfer		11/06/2024		Funds Transfer LAIF to Checking	
				Funds Transfer LAIF to USBank	250,000.00
Transfers Total					\$250,000.00

AGENDA ITEM 7B

Date: November 19, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Gordon Copley, Director of Finance

Subject: Approve and File the Treasurer’s Investment Report for October 2024

BACKGROUND

Midway City Sanitary District’s investment policy requires a monthly investment report, which includes all financial investments of the district and provides information on the investment type, value, and yield available for all investments. The report also provides the Board of Directors with an update on the balances of the District’s various funds.

Per the State Government Code 53600 et seq., and the Midway City Sanitary District’s (District) Investment Policy, the District may invest up to a maximum percentage of the entire portfolio funds in authorized financial investments.

The following table shows a summary of the District’s authorized financial investments, the yield available as of the preparation of this report, the book and market value of the District’s funds, the percentage of the District’s pooled funds that are invested in each financial investment, and the maximum percentage (or dollar limit), allowable per the State Government Code and the District’s investment policy.

MCSD’s total invested cash as of October 31, 2024, is \$50,988,300.59

	TYPE OF INVESTMENT	MATURITY DATE	YIELD	BOOK VALUE AS OF 10/31/2024	MARKET VALUE AS OF 10/31/2024	% OF PORTFOLIO	MAXIMUM PERCENTAGE OF PORTFOLIO
FDIC Insured Accounts							
US Bank Interest Checking	Checking	Liquid	0.050%	\$ 275,894.11	\$ 275,894.11	0.54%	None
US Bank Money Market	Money Market	Liquid	0.050%	\$ 38,160.98	\$ 38,160.98	0.07%	20%
Certificate of Deposits	CD	-		\$ -	\$ -	0.00%	30%
Total FDIC Insured Accounts				\$ 314,055.09	\$ 314,055.09	0.61%	
LAIF							
California CLASS (Prime Fund)	Pool	Liquid	4.518%	\$ 47,148,049.79	\$ 47,148,049.79	92.47%	\$75 million
CalTRUST (Medium Term Fund)	Pool/Bond Fund	Liquid	0.860%	\$ 1,532,350.48	\$ 1,467,778.88	2.88%	30%
U.S. Treasury Securities	US Securities	-	-	\$ -	\$ -	0.00%	None
TOTAL Investments				\$ 51,052,872.19	\$ 50,988,300.59	100.00%	

FISCAL IMPACT

There is no fiscal impact associated with the approval of this informational report.

STAFF RECOMMENDATION

Staff recommends that the Board of Directors approve and file the Treasurer's Investment Report.

ATTACHMENTS

1. Treasurer's Investment Report


MIDWAY CITY SANITARY DISTRICT
District Investment Activities
10/31/2024

	Operating Fund <u>1040.10</u>	Midway City <u>1040.20</u>	Buildings Equipment & Facilities <u>1040.30</u>	Lift Stations & Sewer Lines <u>1040.40</u>	CNG Station & Fueling Facilities <u>1040.50</u>	Vehicle Replacement <u>1040.60</u>	Total LAIF Account No. <u>7030-005</u>	CA CLASS Prime Fund <u>#1050.00</u>	CalTRUST Medium-Term <u>#114.00</u>
Ending Balance, 09.30.2024	\$ 6,825,788.92	\$ 2,141,219.39	\$ 2,993,010.08	\$ 31,295,818.21	\$ 2,045,499.94	\$ 2,265,659.86	\$ 47,566,996.40	\$ 2,049,729.47	\$ 1,484,203.67
Investment Income (LAIF, CalTRUST, CA CLASS)	\$ 83,380.24	\$ 26,156.01	\$ 36,561.04	\$ 382,293.24	\$ 24,986.75	\$ 27,676.11	\$ 581,053.39	\$ 8,687.36	\$ 5,247.57
Market Value Capital Gain/(Loss)							\$ -		\$ (16,424.79)
Transfer from LAIF to US Bank	\$ (1,000,000.00)						\$ (1,000,000.00)		
Transfer from US Bank to LAIF							\$ -		
Transfers LAIF to LAIF	\$ 6,305.80					\$ (6,305.80)	\$ -		
Transfers US Bank to California CLASS								\$ -	
Transfers California CLASS to US Bank								\$ -	
Transfer CalTRUST to/from US Bank									\$ (5,247.57)
Ending Balance, 10.31.2024	<u>\$ 5,915,474.96</u>	<u>\$ 2,167,375.40</u>	<u>\$ 3,029,571.12</u>	<u>\$ 31,678,111.45</u>	<u>\$ 2,070,486.69</u>	<u>\$ 2,287,030.17</u>	<u>\$ 47,148,049.79</u>	<u>\$ 2,058,416.83</u>	<u>\$ 1,467,778.88</u>

TOTAL LAIF, U.S. SECURITIES, CA CLASS, CalTRUST & INTEREST RECEIVABLE	\$ 50,674,245.50
ADD: US BANK	
a. Checking (158301509028)	\$ 275,894.11
b. Money Market (158200156913)	\$ 38,160.98
TOTAL DISTRICT CASH ON HAND	<u>\$ 50,988,300.59</u>

CERTIFICATION

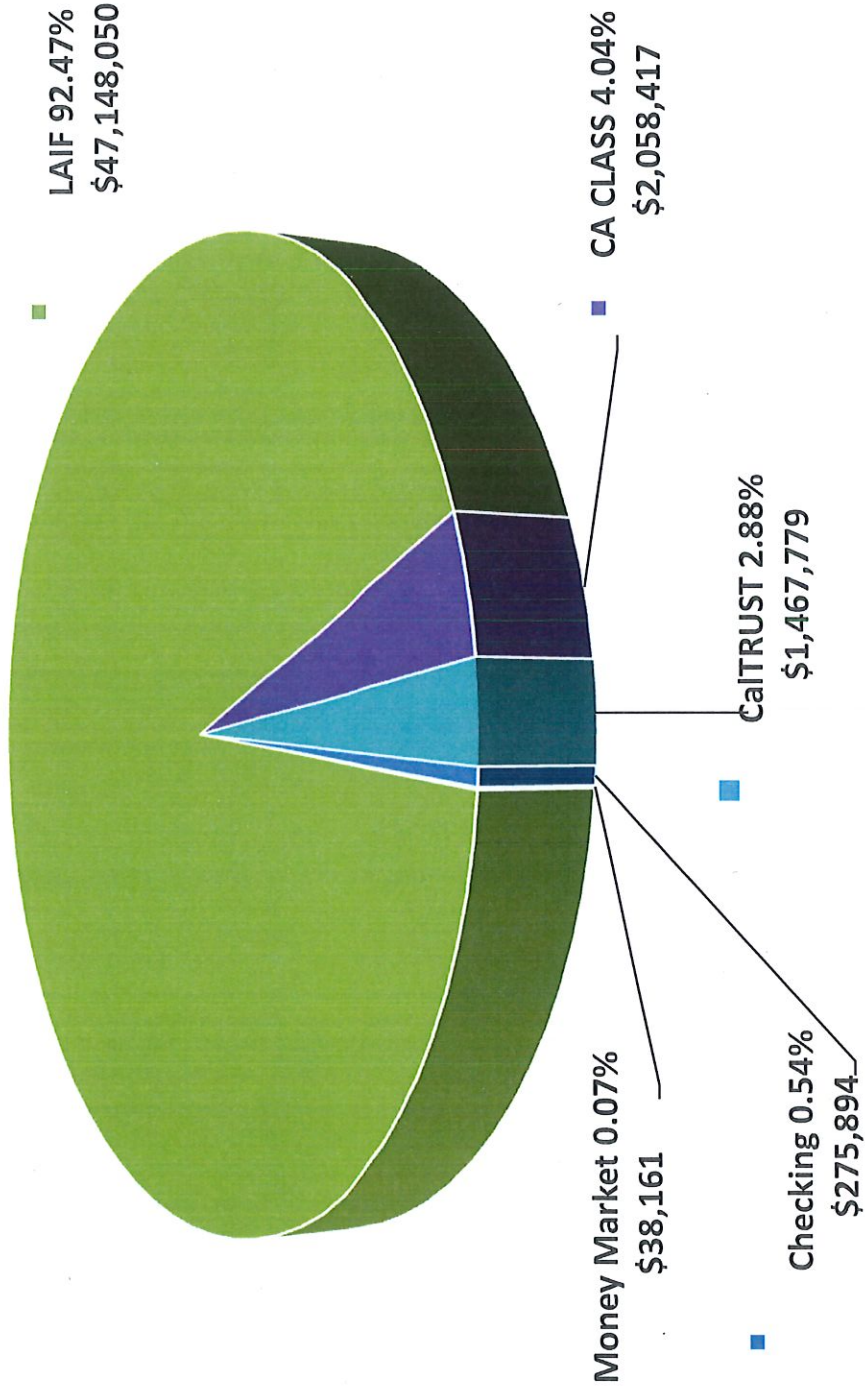
I certify that (1) all investment actions executed since the last report have been made in full compliance with the District's Investment Policy and, (2) the District will meet its expenditure obligations for the next six months as required by California Government Code Sections 53646(b)(2) and (3), respectively.


Prepared & Submitted by
Robert Housley, General Manager

11/11/2024
Dated


Sergio Contreras, Board Treasurer
Dated

MCSD Portfolio as of 10.31.2024



California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
 P.O. Box 942809
 Sacramento, CA 94209-0001
 (916) 653-3001

November 01, 2024

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

MIDWAY CITY SANITARY DISTRICT

GENERAL MANAGER
 14451 CEDARWOOD STREET
 WESTMINSTER, CA 92683

[Tran Type Definitions](#)

Account Number: 70-30-005

October 2024 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
10/7/2024	10/4/2024	RW	1760068	1720596	ROBERT HOUSLEY	-1,000,000.00
10/15/2024	10/14/2024	QRD	1761318	N/A	SYSTEM	581,053.39

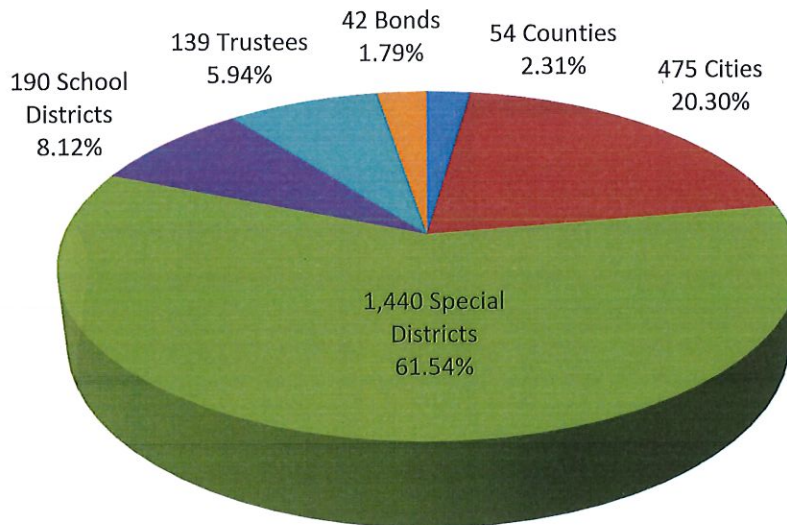
Account Summary

Total Deposit:	581,053.39	Beginning Balance:	47,566,996.40
Total Withdrawal:	-1,000,000.00	Ending Balance:	47,148,049.79

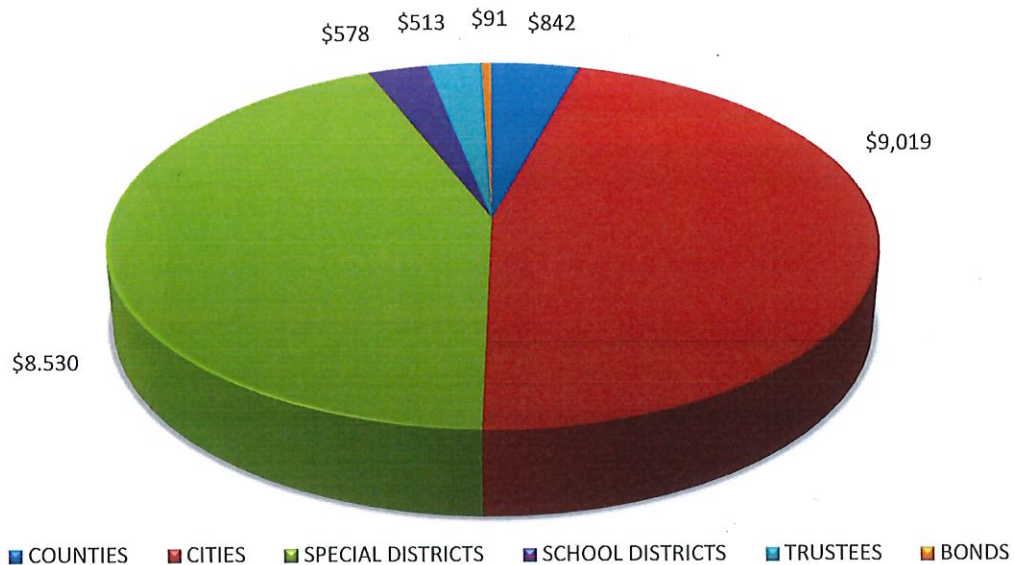
LAIF STATISTICS AS OF 09/30/24

	Balance By Type	Participation	% of Fund
54 COUNTIES	842,143,245.68	2.31%	4.30%
475 CITIES	9,019,012,812.42	20.30%	46.08%
1,440 SPECIAL DISTRICTS	8,529,516,524.42	61.54%	43.58%
190 SCHOOL DISTRICTS	578,410,173.00	8.12%	2.96%
139 TRUSTEES	512,875,260.51	5.94%	2.62%
42 BONDS	90,917,901.33	1.79%	0.46%
2,340 Fund Balance:	\$19,572,875,917.36	100.00%	100.00%

Participation:



Balance by Type (dollars in millions):



Percentages may not total 100% due to rounding.



Summary Statement

October 31, 2024

Page 1 of 4

Investor ID: CA-01-0164

0000153-00000611 PDF 708953

Midway City Sanitary District
 14451 Cedarwood Street
 Westminster, CA 92708

California CLASS

California CLASS

Average Monthly Yield: 5.0039%

	Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
CA-01-0164-0001 Operating Funds	1,774,550.20	0.00	0.00	7,521.07	52,413.27	1,774,792.82	1,782,071.27
CA-01-0164-0002 CalRecycle SB 1383 Grant Funds	275,179.27	0.00	0.00	1,166.29	6,003.56	275,216.89	276,345.56
TOTAL	2,049,729.47	0.00	0.00	8,687.36	58,416.83	2,050,009.71	2,058,416.83

Tel: (877) 930-5213

www.californiaclass.com



Account Statement

October 31, 2024

Page 2 of 4

Account Number: CA-01-0164-0001

Operating Funds

Account Summary

Average Monthly Yield: 5.0039%

California CLASS	Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
	1,774,550.20	0.00	0.00	7,521.07	52,413.27	1,774,792.82	1,782,071.27

Transaction Activity

25

Transaction Date	Transaction Description	Contributions	Withdrawals	Balance	Transaction Number
10/01/2024	Beginning Balance			1,774,550.20	
10/31/2024	Income Dividend Reinvestment	7,521.07			
10/31/2024	Ending Balance			1,782,071.27	

Tel: (877) 930-5213

www.californiaclass.com



Account Statement

October 31, 2024

Page 3 of 4

Account Number: CA-01-0164-0002

CalRecycle SB 1383 Grant Funds

Account Summary

Average Monthly Yield: 5.0039%

Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
275,179.27	0.00	0.00	1,166.29	6,003.56	275,216.89	276,345.56

California CLASS

Transaction Activity

26

Transaction Date	Transaction Description	Contributions	Withdrawals	Balance	Transaction Number
10/01/2024	Beginning Balance			275,179.27	
10/31/2024	Income Dividend Reinvestment	1,166.29			
10/31/2024	Ending Balance			276,345.56	

Tel: (877) 930-5213

www.californiaclass.com



California CLASS

California CLASS

Date	Dividend Rate	Daily Yield
10/01/2024	0.000138678	5.0756%
10/02/2024	0.000139380	5.1013%
10/03/2024	0.000138137	5.0558%
10/04/2024	0.000411603	5.0216%
10/05/2024	0.000000000	5.0216%
10/06/2024	0.000000000	5.0216%
10/07/2024	0.000136858	5.0090%
10/08/2024	0.000136838	5.0083%
10/09/2024	0.000136889	5.0101%
10/10/2024	0.000136658	5.0017%
10/11/2024	0.000545556	4.9919%
10/12/2024	0.000000000	4.9919%
10/13/2024	0.000000000	4.9919%
10/14/2024	0.000000000	4.9919%
10/15/2024	0.000136312	4.9890%
10/16/2024	0.000136701	5.0033%
10/17/2024	0.000136971	5.0131%
10/18/2024	0.000410037	5.0025%
10/19/2024	0.000000000	5.0025%
10/20/2024	0.000000000	5.0025%
10/21/2024	0.000136508	4.9962%
10/22/2024	0.000136214	4.9855%
10/23/2024	0.000136301	4.9886%
10/24/2024	0.000136188	4.9845%
10/25/2024	0.000408363	4.9820%
10/26/2024	0.000000000	4.9820%
10/27/2024	0.000000000	4.9820%
10/28/2024	0.000136133	4.9825%
10/29/2024	0.000136054	4.9796%
10/30/2024	0.000136022	4.9784%
10/31/2024	0.000135894	4.9737%

Performance results are shown net of all fees and expenses and reflect the reinvestment of dividends and other earnings. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. **Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.**

Fund Info Detail

CACCLASS

As Of Date: 10/31/2024

NAV

\$1.00

Shares:	1,549,396,789.980
Fund Balance:	\$1,549,582,113.33
Dividend Rate:	0.000135894462
Current Yield:	N/A
Dally Yield:	4.9737%
7-Day Yield:	4.9801%
30-Day Yield:	5.0015%

CLOSE



CalTRUST
 PO Box 2709
 Granite Bay, CA 95746
 www.caltrust.org
 Email: admin@caltrust.org
 Fax: 402-963-9094
 Phone: 833-CALTRUST (225-8787)

Investment Account Summary

10/01/2024 through 10/31/2024

SUMMARY OF INVESTMENTS

Fund	Account Number	Total Shares Owned	Net Asset Value per Share on Oct 31 (\$)	Value on Oct 31 (\$)	Average Cost Amount (\$)	Cumulative Change in Value (\$)
MIDWAY CITY SANITARY DISTRICT	20100007910					
CalTRUST Medium Term Fund	20100007910	149,316.265	9.83	1,467,778.88	1,532,350.47	(64,571.59)
Portfolios Total value as of 10/31/2024				1,467,778.88		

DETAIL OF TRANSACTION ACTIVITY

Activity Description	Activity Date	Amount (\$)	Amount In Shares	Balance In Shares	Price per Share (\$)	Balance (\$)	Average Cost Amt (\$)	Realized Gain/(Loss) (\$)
		MIDWAY CITY SANITARY DISTRICT			Account Number: 20100007910			
Beginning Balance	10/01/2024			149,316.265	9.94	1,484,203.67		
Accrual Income Div Cash	10/31/2024	5,247.57	0.000	149,316.265	9.83	1,467,778.88	0.00	0.00
Change in Value						(16,424.79)		
Closing Balance as of	Oct 31			149,316.265	9.83	1,467,778.88		

	CalTrust Medium Term	BofAML 1-3 Corp & Gov't, A Rated and Above	CalTrust Medium Term Net Total Return	CalTrust Medium Term Yield	BofAML 1-3 Corp & Gov't, A Rated and Above
Net Assets	\$1,189,570,281.05	N/A	0.86%	0.34%	0.83%
NAV per Share	\$9.94	N/A	3.16%	1.06%	2.95%
30 Day SEC Yield	3.69%	N/A	4.03%	2.11%	3.97%
Distribution Yield	4.14%	N/A	7.36%	4.11%	7.22%
Period Net Total Return	0.86%	0.83%	5.04%	3.60%	5.03%
Effective Duration	2.14 yrs	N/A	1.61%	2.68%	1.53%
Average Maturity	2.37 yrs	N/A	1.74%	2.04%	1.73%
Weighted Average Life	2.32 yrs	N/A	1.60%	1.73%	1.66%
			2.02%	2.04%	2.30%

	One Month	Three Month	Six Month	One Year*	Two Year*	Three Year*	Five Year*	Ten Year*	Since Inception*
CalTrust Medium Term Net Total Return	0.86%	3.16%	4.03%	7.36%	5.04%	1.61%	1.74%	1.60%	2.02%

*Annualized

Portfolio Sector Breakdown



- ABS - 9.79%
- Government Related - 8.23%
- Investment Grade Corporates - 18.74%
- Municipal Securities - 1.57%
- STIF Funds - 0.62%
- Treasuries - 61.05%

Rated AA-F by S&P Global Ratings

**Midway City Sanitary District
CalTRUST Summary**

CalTRUST - Medium-Term Fund

	Investment +	Dividends	Distribution of	Capital Gain or	Balance
	'+'	'+'	Dividend (-)	Loss (-)	
Investment May-2020	\$ 750,000.00	432.90		1,460.57	\$ 751,893.47
June-2020		857.56		730.70	\$ 753,481.73
July-2020		765.26		731.54	\$ 754,978.53
August-2020		745.40		-	\$ 755,723.93
September-2020		677.57		(733.01)	\$ 755,668.49
October-2020		621.72		(733.66)	\$ 755,556.55
November-2020		476.58		-	\$ 756,033.13
December-2020		439.21			\$ 756,472.34
January-2021		387.68			\$ 756,860.02
February-2021		342.73		(1,471.06)	\$ 755,731.69
March-2021		354.98		(735.87)	\$ 755,350.80
April-2021		251.06			\$ 755,601.86
May-2021	\$ 750,000.00	316.74		736.45	\$ 1,506,655.05
June-2021		473.98		(1,467.04)	\$ 1,505,661.99
July-2021		415.67		1,467.51	\$ 1,507,545.17
August-2021		390.03		0.01	\$ 1,507,935.21
September-2021		370.72		(1,468.29)	\$ 1,506,837.64
October-2021		396.41		(5,874.61)	\$ 1,501,359.44
November-2021		461.36		(1,469.04)	\$ 1,500,351.76
December-2021		516.64		(2,938.98)	\$ 1,497,929.42
January-2022		598.08		(10,289.99)	\$ 1,488,237.51
February-2022		610.05		(7,352.96)	\$ 1,481,494.60
March-2022		836.34		(20,596.74)	\$ 1,461,734.20
April-2022		1,028.38		(8,832.23)	\$ 1,453,930.35
May-2022		1,290.86		5,892.32	\$ 1,461,113.53
June-2021		1,354.72		(8,846.29)	\$ 1,453,621.96
July-2022		1,518.86		5,903.03	\$ 1,461,043.85
August-2022		1,986.06		(11,818.35)	\$ 1,451,211.56
September-2022		2,166.97		(20,710.46)	\$ 1,432,668.07
October-2022		2,438.11		(4,444.68)	\$ 1,430,661.50
November-2022		2,709.46		8,904.53	\$ 1,442,275.49
December-2022		2,890.90		1,486.88	\$ 1,446,653.27
January-2023		3,227.48		8,939.16	\$ 1,458,819.91
February-2023		3,447.06	(3,447.06)	(13,438.46)	\$ 1,445,381.45
March-2023		4,147.17	(4,147.17)	14,931.62	\$ 1,460,313.07
April-2023		3,791.32	(3,791.32)	1,493.16	\$ 1,461,806.23
May-2023		4,482.39	(4,482.39)	(7,465.81)	\$ 1,454,340.42
June-2023		4,090.56	(4,090.56)	(8,958.97)	\$ 1,445,381.45
July-2023		4,246.18	(4,246.18)	1,493.16	\$ 1,446,874.61
August-2023		4,455.68	(4,455.68)	-	\$ 1,446,874.61
September-2023		4,286.72	(4,286.72)	(7,465.82)	\$ 1,439,408.79
October-2023		4,795.72	(4,795.72)	(1,493.16)	\$ 1,437,915.63
November-2023		4,603.47	(4,603.47)	14,931.63	\$ 1,452,847.26
December-2023		4,484.90	(4,484.90)	13,438.46	\$ 1,466,285.72
January-2024		5,122.63	(5,122.63)	-	\$ 1,466,285.72
February-2024		4,548.47	(4,548.47)	(10,452.14)	\$ 1,455,833.58
March-2024		4,411.96	(4,411.96)	1,493.17	\$ 1,457,326.75
April-2024		5,220.49	(5,220.49)	(11,945.30)	\$ 1,445,381.45
May-2024		5,169.07	(5,169.07)	4,479.48	\$ 1,449,860.93
June-2024		4,750.35	(4,750.35)	4,479.49	\$ 1,454,340.42
July-2024		5,625.28	(5,625.28)	11,945.30	\$ 1,466,285.72
August-2024		5,081.59	(5,081.59)	10,452.14	\$ 1,476,737.86
September-2024		5,221.50	(5,221.50)	7,465.81	\$ 1,484,203.67
October-2024		5,247.57	(5,247.57)	(16,424.79)	\$ 1,467,778.88

\$ 1,500,000.00 \$ 129,580.55 \$ (97,230.08) \$ (64,571.59) \$ 1,467,778.88

AGENDA ITEM 7C

Date: November 19, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Ashley Davies, Director of Services and Program Development

Subject: Approve the November 6, 2024 Outreach Committee Report and Recommendations

BACKGROUND

At the April 5, 2022 meeting the Board approved the formation of a standing Outreach Committee. The Outreach Committee usually meets on the first Wednesday of each month to plan and discuss upcoming outreach activities.

DISCUSSION

The Outreach Committee met on November 6, 2024 and their recommendations are as follows:

1. The Committee recommends that the District participate in two radio outreach programs.
2. Two directors will attend each radio program. Appointments will be set up for November.
3. The Committee recommends booking Moon Flower band for the 2025 Open House Celebration.
4. The Committee recommends staff investigate changing the name of the “Outreach Committee” to “Legislative and Public Affairs Committee” at the Reorganization meeting in December.

FISCAL IMPACT

The potential fiscal impact of the Outreach Committee’s recommendations are as follows:

- Monthly radio outreach \$4,000
- Moon Flower Band \$2,500

STAFF RECOMMENDATION

Staff recommends that the Board of Directors approve the Outreach Committee’s recommendations as presented.

ATTACHMENTS

None.

AGENDA ITEM 7D

Date: November 19, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Ashley Davies, Director of Services and Program Development

Subject: Approve the November 7, 2024 Franchise Committee Report and Recommendations

BACKGROUND

The Franchise Committee is established annually during the Board's December reorganization meeting, with two Board Members appointed to serve on the Committee for the year. The Committee meets regularly with CR&R representatives to receive updates on compliance, enforcement, and other key aspects of the ongoing partnership between CR&R and the District.

DISCUSSION

The Midway City Sanitary District Franchise Committee met with CR&R on November 7, 2024 at 10:00 AM.

The following items were discussed:

1. CR&R provided an update on compliance efforts for commercial and multifamily properties in Midway City and Westminster.
2. CR&R reported on the resolution of issues at locations that had previously experience challenges; all concerns have been addressed and resolved. CR&R will continue to monitor those locations to ensure challenges do not reoccur.
3. CR&R will update the Committee on the number of violations issued for the Over-The-Top program this year at the next meeting.
4. MCSD staff and CR&R will partner with the City of Westminster's Code Enforcement to develop an enforcement strategy for the new recycling law set to take effect in January 2025.

FISCAL IMPACT

There is no fiscal impact.

STAFF RECOMMENDATION

Staff recommends that the Board of Directors approve the Franchise Committee report.

ATTACHMENTS

None.

AGENDA ITEM 7E

Date: November 19, 2024
To: Board of Directors
From: Robert Housley, General Manager
Prepared by: Milo Ebrahimi, P.E., District Engineer
Subject: Receive and File the Engineer Report for October 2024

BACKGROUND

District Engineer prepares a monthly report for the Board of Directors to inform about engineering and engineering related activities. This report includes monthly progress of District projects, reviewed plans, sewer department projects and activities, trainings and meetings, preventive maintenances and repairs of the district assets, and more.

DISCUSSION

1. Local Hazard Mitigation Plan (LHMP) for Microgrid Project
 - 1.1. On October 14, 2024, the District released an RFP seeking a qualified consultant to coordinate, facilitate, and prepare the District LHMP implementing regulations and guidance as they apply to Special Districts.
 - 1.2. The District received seven proposals and staff completed evaluations of the proposals.
 - 1.3. An LHMP report is a strategic document prepared for local governments to identify natural and human-made hazards, assess risks, and outline actions to reduce the impact of disasters, thereby enhancing community resilience. This report will support the District Microgrid Project.
 - 1.4. A Microgrid is a group of interconnected energy-consuming devices and equipment (e.g., homes, businesses, or industrial facilities) and distributed energy resources within clearly defined electrical boundaries that act as a single controllable entity with respect to the utility grid.
2. Westminster Mall project
 - 2.1. There is no update on the project this month.
3. Plans Reviewed
 - 3.1. Sewer permits (this month): 18.
 - 3.2. Sewer permits (this fiscal year end): 86.
 - 3.3. Development projects (trash enclosures and/or sewer lines): 10.
4. Sewer department projects
 - 4.1. Sewer System Master Plan (SSMP) Project by AKM

- 4.1.1. SSMP is in progress. There is a monthly meeting with AKM about progress of SSMP and SSMP Audit.
 - 4.1.2. AKM will finish in about 6 months according to the new project schedule. A few months' delay is due to Amendment No. 2, which was approved by the Board on March 19, 2024, to the original agreement with AKM. GPS survey of manholes is completed for engineering analysis and Hydraulic Model. AKM checked the surveying data.
 - 4.1.3. AKM worked on Hydraulic Model Update (which is part of task 12 of the project).
- 4.2. Sewer System Management Plan Audit by AKM
- 4.2.1. SSMP Audit project was approved by the by Board on June 4, 2024, as an Amendment 3 to AKM agreement.
 - 4.2.2. The Audit Report is due within six months after the end of the required 3-year audit period which was May 2, 2024.
 - 4.2.3. The final SSMP Audit Report is approved by the Board on September 15, 2024.
 - 4.2.4. The SSMP Audit Report was uploaded to the Water Board Website on November 1, 2024.
 - 4.2.5. The District has started implementing the recommended items from the Audit Report.
- 4.3. Sewer System Cleaning and CCTV Project By Empire Pipe Cleaning & Equipment
- 4.3.1. The contractor has finished about 90 percent of the project so far.
 - 4.3.2. Contractor will finish in about 2 months.
 - 4.3.3. District Engineer will collaborate with Contractor and AKM to link the CCTV inspection report with GIS in a new software application.
 - 4.3.4. There is a need for storage to store and retrieve all CCTV videos in a single drive with backup capability for future reference.
- 4.4. Manholes at Westminster Boulevard and Springdale Street Siphon Project by AKM
- 4.4.1. There is a blocked and possibly damaged siphon at the intersection of Westminster Blvd and Springdale St.
 - 4.4.2. District is working with AKM to prepare an emergency construction repair plans and specs for construction of two manholes to restore the sewer flow. The project is still in the design phase.
 - 4.4.3. The District received and reviewed the first revision of the design plans. The Plans should be reviewed by other utility agencies and companies, and the City of Westminster to prevent any conflicts.
- 4.5. Cockroaches Mitigation Project Phase 2 by Golden Bell Products

- 4.5.1. The Contractor to provide all labor, material and supplies required to coat District's sanitary sewer manholes with INSECTA, insecticidal latex coating for sewer roach control.
 - 4.5.2. The Contractor will start the work on November 4, 2024.
 - 4.5.3. The project will take about two weeks to complete.
- 4.6. Capital Improvement Program (CIP) Projects
- 4.6.1. The District Engineer started evaluating CCTV videos of sewer segments with a Rating 5 for the next CIP Project.
 - 4.6.2. In NASSCO standards, Rating 5 indicates the most severe condition in sewer infrastructure, signaling critical structural or operational defects that require immediate attention to prevent potential system failure.
- 4.7. Sewer System Management Plan (SSMP) Report
- 4.7.1. The District Engineer will start working on the SSMP Report.
 - 4.7.2. The Report is due on May 2, 2024.
5. Sewer Department Activities
- 5.1. Sewer System Issue
 - 5.1.1.0.5 or 1 inch PVC pipe extending from a private lateral in Walt Street to the public sewer main and may cause blockage at some point of time. However, this case is not an emergency case at this point. The District sent a letter to the resident to address the issue. The District has not received any response from the resident yet.
 - 5.2. There was not any new sewer emergency case this month.
 - 5.3. There was not any sewer system overflow this month.
 - 5.4. 73 hotspot locations were cleaned this month.
 - 5.5. About 24 hotspot locations were checked weekly.
 - 5.6. About 51,000 linear feet (9.7 miles) of sewer line was cleaned on the east and west side.
6. Trainings and Meetings (not project related)
- 6.1. District Engineer attended Development Review Team (DRT) meetings at the City of Westminster.
 - 6.2. District Engineer attended monthly meetings with District Engineer of Costa Mesa Sanitary District (CMSD).
 - 6.3. Staff including the District Engineer attended the Employee Luncheon.
 - 6.4. District Engineer, Director of Operation/Safety, and Sewer Crew attended the monthly Sewer Department Meeting at the District.
 - 6.5. The District Engineer assisted CMSD with the first-round interviews for the Wastewater Maintenance Manager position.
 - 6.6. District Engineer and Sewer Crew attended the Traffic Control Flagger training at the District.

6.7. District Engineer and Sewer Crew attended the Confined Space Entry training at the District.

7. Preventive Maintenances (PM) and Repairs

7.1. Clean Energy performed the monthly PM services on the CNG station at the yard.

7.2. Odyssey Power performed the yearly major PM services on the Generators at the yard and the lift stations.

8. Regulation and Reporting

8.1. California Air Resources Board (CARB)

8.1.1. None.

8.2. California Water Resources Control Board (CWRCB)

8.2.1. The Monthly Report is submitted to the CWRCB through the California Integrated Water Quality System (CIWQS).

8.2.2. SSMP Audit Report is submitted to the CWRCB through the CIWQS.

FISCAL IMPACT

Informational report only.

STAFF RECOMMENDATION

Staff recommend that the Board of Directors approve and file the Engineer Report.

AGENDA ITEM 9A

Date: November 19, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Gordon Copley, Director of Finance

Subject: Approve the Fiscal Year 2023-24 Independent Financial Audit Report for Midway City Sanitary District (July 1, 2023 through June 30, 2024)

BACKGROUND

Local government agencies are required by law to have an independent audit of their annual financial statements. The purpose of this audit is for the independent audit firm to express an opinion about whether the financial statements are free of material misstatement and in conformance with generally accepted accounting principles and in compliance with the Government Accounting Standards Board Statements (Government Code Section 26909).

The Midway City Sanitary District contracted with CliftonLarsenAllen, LLP (independent auditors) to conduct the annual audit for MCSD.

The Audit is complete, and a copy thereof is attached.

Presenting the Audit from CliftonLarsenAllen, LLP is Daphnie Munoz.

FISCAL IMPACT

There is no fiscal impact associated with the consideration and approval of the Fiscal Year 2023-24 Independent Financial Audit Report.

STAFF RECOMMENDATION

Staff recommends that the Board of Directors review, discuss and file the Fiscal Year 2023-24 (Independent Audit Report).

ATTACHMENTS

1. Audit Committee Letter
2. Financial Statements and Supplementary Information for the Year Ended June 30, 2024
3. Auditors' Report on Internal Controls and Compliance
4. Agreed-Upon-Procedures Appropriations (GANN) Limit Report



Board of Directors
Midway City Sanitary District
Westminster, California

We have audited the financial statements of Midway City Sanitary District (District) as of and for the year ended June 30, 2024, and have issued our report thereon dated October 30, 2024. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our engagement agreement dated February 21, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Midway City Sanitary District are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2024.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- The annual required contributions, pension expense, net pension asset, and corresponding deferred outflows of resources and deferred inflows of resources for the District's public defined benefit plans with CalPERS are based on an actuarial valuation provided by CalPERS.
- The OPEB expense, net OPEB asset, and corresponding deferred outflows of resources and deferred inflows of resources for the District's defined benefit OPEB plan is based on certain actuarial assumptions and methods prepared by an outside consultant.

We evaluated the key factors and assumptions used to develop the above estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were reported in Note 6 regarding the defined pension plans and Note 7 regarding the other post-employment benefits plan.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated October 30, 2024.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Required Supplementary Information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

* * *

This communication is intended solely for the information and use of the board of directors and management of Midway City Sanitary District and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Irvine, California
October 30, 2024

MIDWAY CITY SANITARY DISTRICT
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024



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**MIDWAY CITY SANITARY DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	9
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	10
STATEMENT OF CASH FLOWS	11
NOTES TO FINANCIAL STATEMENTS	13
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)	36
SCHEDULE OF CONTRIBUTIONS – DEFINED BENEFIT PENSION PLAN	38
SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS	40
SCHEDULE OF CONTRIBUTIONS – OPEB	41



INDEPENDENT AUDITORS' REPORT

Board of Directors
Midway City Sanitary District
Westminster, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Midway City Sanitary District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District'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 Midway City Sanitary District, as of June 30, 2024, and the changes in financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 the 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 District'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.

Auditors' 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 auditors' 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 GAAS and *Government 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government 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 District'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 District'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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of net pension liability (asset), the schedule of contributions – defined benefit pension plan, the schedule of changes in net OPEB liability (asset) and related ratios, and the schedule of contributions – OPEB, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about 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 do 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Irvine, California
October 30, 2024

MIDWAY CITY SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the year ended June 30, 2024. Please read it in conjunction with the District's financial statements, which follow this section.

Financial Statements

This discussion and analysis provide an introduction and a brief description of the District's financial statements, including the relationship of the statements to each other and the significant differences in the information they provide. The District's financial statements include four components:

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows
- Notes to the Financial Statements.

The Statement of Net Position includes all the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position. The District's net position may be classified as follows:

- Net Investment in Capital Assets
- Restricted Net Position
- Unrestricted Net Position

The Statement of Net Position provides the basis for computing rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

The Statement of Revenues, Expenses and Changes in Net Position presents information which shows how the District's net position changed during the year. All of the current year's revenues and expenses are recorded when the underlying transaction occurs, regardless of the timing of the related cash flows. The Statement of Revenues, Expenses and Changes in Net Position measures the success of the District's operations over the past year and determines whether the District has recovered its costs through service fees, franchise fees, and other charges.

The Statement of Cash Flows provides information regarding the District's cash receipts and cash disbursements during the year. This statement reports cash activity in four categories:

- Operating activities
- Noncapital financing activities
- Capital and related financing activities
- Investing activities

This statement differs from the Statement of Revenues, Expenses and Changes in Net Position because the statement accounts only for transactions that result in cash receipts or cash disbursements.

The Notes to the Financial Statements provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles that are not otherwise present in the financial statements.

MIDWAY CITY SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

Financial Highlights

- The District's cash and cash equivalents increased by \$457,557.
- During the year, total revenues were \$ 18,376,477, while expenses totaled \$13,478,265.
- The District's net position increased by \$4,898,212.

Financial Analysis of the District

Net Position

The following is a summary of the District's statement of net position:

Midway City Sanitary District's net position for the fiscal year ended June 30, 2024 increased by \$4,898,212 over the prior fiscal year ended June 30, 2023. The table below shows that most of the change in net position is due to an increase in net capital assets of \$3,873,206.

Unrestricted net position, those assets that can be used to finance day-to-day operations, increased \$932,491 over the prior fiscal year.

	For the Year Ended <u>6/30/2024</u>	For the Year Ended <u>6/30/2023</u>	For the Year Ended <u>6/30/2022</u>	Dollar Change 2024 to 2023
<u>Assets:</u>				
Current Assets	\$56,212,462	\$55,346,550	\$ 53,568,866	\$ 865,912
Net OPEB Asset	551,556	529,965	2,292,611	21,591
Net Pension Asset	-	-	2,768,839	-
Restricted - Cash and Investments				
Held by Pension Trust	5,340,915	4,921,961	3,988,371	418,954
Capital Assets, Net	<u>27,794,041</u>	<u>23,920,835</u>	<u>21,536,793</u>	<u>3,873,206</u>
Total Assets	<u>89,898,974</u>	<u>84,719,311</u>	<u>84,155,480</u>	<u>5,179,663</u>
<u>Deferred Outflows of Resources:</u>				
Deferred Amounts from OPEB	918,372	1,171,793	220,451	(253,421)
Deferred Amounts from Pension Plan	<u>3,092,001</u>	<u>2,134,820</u>	<u>3,032,187</u>	<u>957,181</u>
Total Deferred Outflows of Resources	<u>4,010,373</u>	<u>3,306,613</u>	<u>3,252,638</u>	<u>703,760</u>
<u>Liabilities:</u>				
Current Liabilities	1,453,071	1,026,545	753,025	426,526
Long-Term Liabilities	<u>1,136,378</u>	<u>624,135</u>	<u>53,287</u>	<u>512,243</u>
Total Liabilities	<u>2,589,449</u>	<u>1,650,680</u>	<u>806,312</u>	<u>938,769</u>
<u>Deferred Inflows of Resources:</u>				
Deferred Amounts from OPEB	552,829	707,409	1,755,522	(154,580)
Deferred Amounts from Pension Plan	<u>262,753</u>	<u>61,731</u>	<u>472,822</u>	<u>201,022</u>
Total Deferred Inflows of Resources	<u>815,582</u>	<u>769,140</u>	<u>2,228,344</u>	<u>46,442</u>
<u>Net Position:</u>				
Investment in Capital Assets	27,458,737	23,777,843	21,536,793	3,680,894
Restricted				
Restricted for Pension Benefits	4,342,388	4,310,007	6,757,210	32,381
Restricted for OPEB Benefits	551,556	529,965	2,292,611	21,591
Recycling Outreach & Education (SB 1383)	274,497	43,642	109,841	230,855
Unrestricted	<u>57,877,138</u>	<u>56,944,647</u>	<u>53,677,007</u>	<u>932,491</u>
Total Net Position	<u>\$90,504,316</u>	<u>\$85,606,104</u>	<u>\$ 84,373,462</u>	<u>\$ 4,898,212</u>

MIDWAY CITY SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

Revenues, Expenses and Changes in Net Position

The following is a summary of the District's revenues, expenses and changes in net position:

The District's total revenues increased by \$2,930,124 from fiscal year 2022-2023 to 2023-2024. The majority of the increase was in investment income as a result of higher interest rates over the prior fiscal year

The District's total expenses decreased by \$580,693 from fiscal year 2022-2023 to 2023-2024. The decrease is mainly the result of increased expenditures for the District-wide CCTV sewer inspection and cleaning program, sewer system master plan, increased solid waste tonnage disposal offset by a substantial decrease in personnel and benefits expenses from the 2022-20223 fiscal year. The District received a \$1,488,751 reimbursement from the CalPERS CEPPT Trust for retirement expenses. Additional, pension expense decreased by \$2,560,982 as a result of the most recent CalPERS actuarial valuation.

	For the Year Ended <u>June 30, 2024</u>	For the Year Ended <u>June 30, 2023</u>	Dollar Change <u>2024 to 2023</u>
Operating Revenues	\$ 9,312,143	\$ 8,838,302	\$ 473,841
Nonoperating Revenues	9,064,334	6,608,051	2,456,283
Total Revenues	<u>18,376,477</u>	<u>15,446,353</u>	<u>2,930,124</u>
Operating Expenses	12,179,541	12,593,309	(413,768)
Depreciation	1,298,724	1,465,649	(166,925)
Total Expenses	<u>13,478,265</u>	<u>14,058,958</u>	<u>(580,693)</u>
Change in Net Position	4,898,212	1,387,395	3,510,817
Net Position at Beginning of Year	<u>85,606,104</u>	<u>84,373,462</u>	<u>1,232,642</u>
Prior-Period Adjustment	-	(154,753)	154,753
Net Position at Beginning of Year, as Restated	<u>85,606,104</u>	<u>84,218,709</u>	<u>1,387,395</u>
Net Position at End of Year	<u>\$ 90,504,316</u>	<u>\$ 85,606,104</u>	<u>\$ 4,898,212</u>

MIDWAY CITY SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

Capital Assets

Capital assets consist of the following at June 30, 2024, and June 30, 2023, respectively:

	For the Year Ended June 30, 2024	For the Year Ended June 30, 2023	Dollar Change 2024 to 2023
Capital Assets, Not Depreciated:			
Land	\$ 92,948	\$ 92,948	\$ -
Work/Construction in Progress	-	3,670,849	(3,670,849)
Total Capital Assets, Not Depreciated	92,948	3,763,797	(3,670,849)
Capital Assets, Being Depreciated:			
Building and Improvements	\$ 8,147,624	\$ 906,409	\$ 7,241,215
Lift Stations	5,582,673	5,582,673	-
Gravity Lines and Force Mains	17,818,984	17,818,984	-
Resident Containers	857,689	857,689	-
Refuse CNG Station & Facilities	3,459,268	3,459,268	-
Refuse Trucks	6,377,415	5,019,135	1,358,280
Other Vehicles	1,484,807	1,452,283	32,524
Other Equipment:	860,782	1,059,021	(198,239)
Total Capital Assets, Being Depreciated	44,589,242	36,155,462	8,433,780
Total Accumulated Depreciation	(16,888,149)	(15,998,424)	(889,725)
Total Capital Assets, Being Depreciated, Net	27,701,093	20,157,038	7,544,055
Capital Assets, Net	\$ 27,794,041	\$ 23,920,835	\$ 3,873,206

The capital assets additions and deletions for the fiscal year ended June 30, 2024, increased a total of \$3,873,206, which included completion of the District Headquarters Remodel, Carport Solar Project, the purchase of three new solid waste trucks and an EUV vehicle. Additional information on the District's capital assets can be found in Note 3 of this report.

Long-Term Liabilities and Debt Administration

The District's long-term liability was \$317,739 at June 30, 2024.

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Within One Year	More Than One Year
Compensated Absences	\$ 264,378	\$ 233,249	\$ (179,888)	\$ 317,739	\$ 179,888	\$ 137,851

Additional information on the District's long-term debt can be found in Note 4 of this report.

MIDWAY CITY SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

Economic Factors and Next Year's Budget and Rates

RESIDENTIAL SOLID WASTE (TRASH) AND SANITARY SEWER SERVICES

On June 21, 2022, the Board of Directors adopted a five-year schedule of adjustments to fees for residential curbside solid waste (trash) collection service and sanitary sewer service. Effective July 1, 2023 the annual residential solid waste (trash) rate was \$195.69, per unit, per parcel and the residential sanitary sewer rate was \$100.41, per unit, per parcel.

Additionally, the board of Directors adopted a fee and a five-year schedule for residents wanting additional solid waste (trash) carts and services above the basic solid waste (trash) service. Effective July 1, 2022 the annual rate for additional carts and service was \$38.07, per each additional cart.

COMMERCIAL, INDUSTRIAL, BUSINESSES AND BIN SERVICES

On June 21, 2022, the Board of Directors adopted a five-year schedule of adjustments to its sanitary sewer service fees for commercial, industrial and businesses, effective July 1, 2022. As of July 1, 2023, the annual sanitary sewer rate was \$100.41, per unit, per parcel.

The District has an exclusive franchise agreement with CR&R Inc. to provide solid waste and recycling services to the District's commercial and industrial businesses, as well as bin services for multifamily residences and mobile home parks. Maximum rates are set per the franchise agreement and are adjusted annually per any increase in the Orange County landfill costs and the consumer price index. Effective July 1, 2023, these service rates increased by 5.23% for the service component and 7.45% for the landfill portion of the rate only.

Current rate information may be found online on the District's website at www.midwaycitysanitaryca.gov.

These annual user fees will assist the District in undertaking capital improvement projects, including the future replacement and refurbishment of lift (pump) stations and the upsizing and replacing of sanitary sewer pipelines in the District, the installation of an alternative energy infrastructure upgrades, updating employee facilities, District buildings and offices, and to continue to aggressively fund long-term employee benefits.

Contacting the District's Financial Manager

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Midway City Sanitary District at (714) 893-3553.

**MIDWAY CITY SANITARY DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024**

CURRENT ASSETS

Cash and Cash Equivalents	\$ 54,332,668
Restricted - Cash Held by Escrow for Retentions Payable	327,780
Accounts Receivable	320,186
Taxes Receivable	164,214
Interest Receivable	575,147
Prepaid Items	492,467
Total Current Assets	56,212,462

NONCURRENT ASSETS

Capital Assets:	
Not Depreciable	92,948
Depreciable, Net	27,701,093
Restricted - Cash and Investments Held by Pension Trust	5,340,915
Net OPEB Asset	551,556
Total Noncurrent Assets	33,686,512
Total Assets	89,898,974

DEFERRED OUTFLOWS OF RESOURCES

Deferred Amounts from OPEB	918,372
Deferred Amounts from Pension Plan	3,092,001
Total Deferred Outflows of Resources	4,010,373

CURRENT LIABILITIES

Accounts Payable	870,695
Accrued Expenses	67,184
Retentions Payable	335,304
Compensated Absences, Current Portion	179,888
Total Current Liabilities	1,453,071

LONG-TERM LIABILITIES

Compensated Absences, Net of Current Portion	137,851
Net Pension Liability	998,527
Total Long-Term Liabilities	1,136,378
Total Liabilities	2,589,449

DEFERRED INFLOWS OF RESOURCES

Deferred Amounts from OPEB	552,829
Deferred Amounts from Pension Plan	262,753
Total Deferred Inflows of Resources	815,582

NET POSITION

Investment in Capital Assets	27,458,737
Restricted:	
Restricted for Pension Benefits	4,342,388
Restricted for OPEB Benefits	551,556
Recycling Outreach and Education (SB 1383)	274,497
Unrestricted	57,877,138
Total Net Position	\$ 90,504,316

See accompanying Notes to Financial Statements.

**MIDWAY CITY SANITARY DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024**

OPERATING REVENUES	
Service Fees	\$ 7,674,231
Franchise Fees	1,561,414
Permit, Inspection, and Connection Fees	76,498
Total Operating Revenues	<u>9,312,143</u>
OPERATING EXPENSES	
Solid Waste Disposal	5,427,291
General Administration	3,806,591
Sewage Collection	2,945,659
Depreciation	1,298,724
Total Operating Expenses	<u>13,478,265</u>
OPERATING LOSS	<u>(4,166,122)</u>
NONOPERATING REVENUES (EXPENSES)	
Property Taxes	5,533,232
Investment Income	3,200,457
Intergovernmental Revenues	274,786
Other Revenues	55,859
Total Nonoperating Revenues (Expenses)	<u>9,064,334</u>
CHANGE IN NET POSITION	4,898,212
Net Position - Beginning of Year, as Restated	<u>85,606,104</u>
NET POSITION - END OF YEAR	<u>\$ 90,504,316</u>

See accompanying Notes to Financial Statements.

**MIDWAY CITY SANITARY DISTRICT
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 9,282,160
Cash Paid to Suppliers	(6,405,116)
Cash Paid to Employees for Wages and Benefits	(5,727,358)
Other Cash Receipts	55,859
Net Cash Used by Operating Activities	<u>(2,794,455)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Property Taxes Received	5,529,618
Cash Received from Grantors	274,786
Net Cash Provided by Noncapital Financing Activities	<u>5,804,404</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Cash Paid for Acquisition of Capital Assets	<u>(5,171,930)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(5,171,930)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Investments	(418,954)
Interest Received on Investments	3,038,492
Net Cash Provided by Investing Activities	<u>2,619,538</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	457,557
Cash and Cash Equivalents - Beginning of Year	<u>53,875,111</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 54,332,668</u></u>

See accompanying Notes to Financial Statements.

**MIDWAY CITY SANITARY DISTRICT
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

**RECONCILIATION OF OPERATING LOSS TO
NET CASH USED BY OPERATING ACTIVITIES**

Operating Loss	\$ (4,166,122)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	1,298,724
Other Revenues	55,859
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:	
(Increase) Decrease in:	
Accounts Receivable	(29,983)
Prepaid Items	(28,005)
Net OPEB Asset	(21,591)
Net Pension Asset	-
Deferred Outflows of Resources from OPEB	253,421
Deferred Outflows of Resources from Pension Plan	(957,181)
Increase (Decrease) in:	
Accounts Payable	311,408
Accrued Expenses	2,639
Compensated Absences	53,361
Net Pension Liability	386,573
Deferred Inflows of Resources from OPEB	(154,580)
Deferred Inflows of Resources from Pension Plan	201,022
Total Adjustments	1,371,667
Net Cash Used by Operating Activities	\$ (2,794,455)

**SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL
AND RELATED FINANCING AND INVESTING ACTIVITIES:**

Change in Fair Value of Investments	\$ (265,143)
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See accompanying Notes to Financial Statements.

**MIDWAY CITY SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Midway City Sanitary District (the District) operates as authorized by the state of California. The Health and Safety Code of California (the Sanitary District Act of 1923) is the governing law. In addition, the County of Orange (the County) has determined (through the Local Agency Formation Commission) the sphere of influence of the District's boundaries. The District services areas in Westminster and the unincorporated areas of the County known as Midway City.

The District is operated by a general manager, administrative staff, and field personnel. The general manager is hired by a five-member board of directors, who are elected by the public to a four-year term.

Activities of the District include the following:

- The provisions of local sewage collection service to properties within the District.
- The maintenance and cleaning of sewage collection lines.
- The approval of plans and the inspection of the construction of sewers built within the District by developers.
- The provision for trash and solid waste collection and disposal for residences.
- The contracts with a third party for trash and solid waste collection for general, commercial, and industrial businesses.

The District owns and operates vehicles for the above purposes and also owns property on which the District office and truck facilities are located, including a garage and other buildings for the purpose of servicing and maintaining trucks and sewer lines. The District has contracted with a third party for the collection of solid waste collected in bins.

Basis of Presentation

The accounts of the District are an enterprise fund. An enterprise fund is a proprietary type fund used to account for operations (a) 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 (b) 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 purposes.

**MIDWAY CITY SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe *which* transactions are recorded within the various financial statements. Basis of accounting refers to *when* transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the economic measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with these activities are included on the statement of net position. The statement of revenues, expenses, and changes in net position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all investment instruments purchased with a maturity of three months or less to be cash and cash equivalents.

Investments

Investments are stated at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

Accounts Receivable

The District extends credit to customers in the normal course of operations. Management evaluates all accounts receivable and, if it is determined that they are uncollectable, will write off the amounts as a bad debt expense using the specific-identification method. Management has evaluated the accounts and believes that all accounts receivable are fully collectible; therefore, no allowance for doubtful accounts is recorded as of June 30, 2024.

Prepaid Items

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items.

Capital Assets

Acquisitions of capital assets are recorded at cost. Contributed assets are recorded at their acquisition cost at the date of donation. Self-constructed assets are recorded at the amount of direct labor, material, and certain overhead. Additions, improvements, and other capital outlays of \$5,000 or more that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

**MIDWAY CITY SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Capital Assets (Continued)

Depreciation is calculated on the straight-line method over the following estimated useful lives:

Building and Improvements	10 to 25 Years
Lift Stations	40 Years
Gravity Lines and Force Mains	75 Years
Resident Containers	10 Years
Refuse CNG Station and Facilities	5 to 25 Years
Refuse Trucks	8 Years
Other Vehicles	5 to 8 Years
Other Equipment	5 to 10 Years

Restricted Assets

Restricted assets are financial resources generated for a specific purpose, such as pension benefits. These assets are for the benefit of a specific purpose and, as such, are legally or contractually restricted by an external third-party agreement. The District's restricted assets consist of a Section 115 trust with California Public Employees' Retirement System (CalPERS) called California Employers' Pension Prefunding Trust (CEPPT) that is dedicated to pre-funding employer contributions to the defined benefit pension plan.

Also included in restricted assets are amounts accumulated for vendors regarding retentions payable for construction work performed, but not released until the conclusion of the project.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The category of deferred outflow of resources reported in the statement of net position is related to pension and other postemployment benefits. Deferred outflows on pension and other postemployment benefits are more fully discussed in Notes 6 and 7, respectively.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District's deferred inflows of resources reported on the statement of net position relate to pension and other postemployment benefits, which are more fully discussed in Notes 6 and 7, respectively.

**MIDWAY CITY SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Net Position

In the statement of net position, net position is classified in the following categories:

Investment in Capital Assets

This amount consists of capital assets, net of accumulated depreciation, and reduced by outstanding debt and capital related payables that are attributed to the acquisition, construction, or improvement of the assets. The District has no such outstanding debt.

Restricted Net Position

This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments. Amounts reported in restricted net position represent funds held in a Section 115 trust with CalPERS, called CEPPT, that are restricted for future contributions to the pension plan; amounts related to the net pension liability; amounts related to the net OPEB asset; and amounts related to SB 1383 grant funding received and not yet spent.

Unrestricted Net Position

This amount is all net position that does not meet the definition of investment in capital assets or restricted net position.

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Operating Revenues and Expenses

Operating revenues, such as charges for services (service fees, franchise fees, permit, inspection and connection fees), result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values.

All revenues not meeting this definition are reported as nonoperating revenues. Nonoperating revenues, such as property taxes and assessments, result from nonexchange transactions or ancillary activities in which the District gives (receives) value without directly receiving (giving) equal value in exchange.

**MIDWAY CITY SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Operating Revenues and Expenses (Continued)

Operating expenses include the cost of sales and services, solid waste disposal, sewage collection, general administration expenses, and depreciation on capital assets. All expenses not meeting this definition are reported as nonoperating expenses.

Property Taxes

Property taxes in California are levied in accordance with Article XIII A of the State Constitution at 1% of countywide assessed valuations. This levy is allocated pursuant to state law to the appropriate units of local government. Additional levies require two-thirds approval by the voters and are allocated directly to the specific government. Taxes and assessments are recognized as revenue based on amounts reported to the District by the County. The County acts as a collection agent for the property taxes, which are normally collected twice a year.

The property tax calendar is as follows:

Lien Date	January 1
Levy Date	July 1
Due Dates	First Installment – November 1 Second Installment – March 1
Delinquent Dates	First Installment – December 10 Second Installment – April 10

Compensated Absences

The District permits its employees to accumulate vacation and sick leave. The maximum amount of accumulated vacation allowed for represented employees is 30 days. For non-represented employees, there is no maximum amount of vacation days allowed to accrue. The maximum amount of accumulated sick leave allowed is 24 days for both represented and non-represented employees. Any sick time in excess of the maximum is paid to the employee with the first regular payment of wages during the month of December at a rule of 100%. At retirement, all vacation and sick leave accumulated are paid to the employee. At termination, all vacation and 50% of the sick leave accumulated are paid to the employee.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**MIDWAY CITY SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB asset and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the District's OPEB plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Estimates

The preparation of financial statements in accordance 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, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 2 CASH AND INVESTMENTS

Cash and Investments

Cash and investments as of June 30, 2024, are classified in the financial statements as follows:

Cash and Cash Equivalents	\$ 54,332,668
Restricted - Cash Held by Escrow for Retentions Payable	327,780
Restricted - Cash and Investments Held by Pension Trust	<u>5,340,915</u>
Total Cash and Investments	<u><u>\$ 60,001,363</u></u>

Cash and investments as of June 30, 2024, consist of the following:

Cash on Hand	\$ 300
Deposits with Financial Institutions	573,998
Investments	54,086,150
Restricted:	
Investments Held by Pension Trust - CEPPT	<u>5,340,915</u>
Total Cash and Investments	<u><u>\$ 60,001,363</u></u>

**MIDWAY CITY SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized by the District in accordance with the California Government Code (District's Investment Policy shown when more restrictive). The table also identifies certain provisions of the California Government Code (or the District's Investment Policy, when more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of funds within the pension trust that are governed by the agreement between the District and trustee, rather than the general provisions of the California Government Code or the District's Investment Policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Quality Requirements</u>
U.S. Government-Sponsored Agency Securities	5 Years	\$2,000,000	None
Certificates of Deposit	1 Year	30% or \$1,000,00	None
California Local Agency Investment Fund (LAIF)	N/A	None	None
California CLASS	N/A	None	None
CalTRUST Investment Pool	N/A	None	None

N/A - Not Applicable

Disclosures Relating to 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. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing over time as necessary to provide the cash flows and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2024.

	<u>Less than One Year</u>
LAIF	\$ 50,609,467
CalTRUST Investment Pool - Medium-Term Fund	1,454,340
California CLASS	2,022,343
Restricted - Held by Pension Trust:	
CEPPT - Mutual Funds	5,340,915
Total investments	<u>\$ 59,427,065</u>

**MIDWAY CITY SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to 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. Investments with the CalTRUST Investment Pool are rated AA by Standard and Poor's, California CLASS was rated AAaf by Fitch, while investments with LAIF and CEPPT are not rated.

Concentration of Credit Risk

Concentration of credit is the risk of loss attributed to the magnitude of the District's investment in a single issue.

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The District holds no investments in any one issuer (other than external investment pools) that represent 5% or more of total District investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, the District 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 custodial credit risk for investments is the risk that, in the event of failure of the counterparty (e.g., broker-dealer), the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds, government investment pools, or Section 115 trusts (such as LAIF, CalTRUST Investment Pool, California CLASS or CEPPT).

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, 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 District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Any deposits in excess of depository insurance limits at the end of the year are collateralized by securities held at the depository financial institution's trust department. As of June 30, 2024, all the District's deposits with financial institutions were covered by federal depository insurance limits or were held in collateralized accounts.

**MIDWAY CITY SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investment in State Investment Pool

The District is a voluntary participant in LAIF, which is regulated by the California Government Code under the oversight of the treasurer of the state of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's prorate 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.

Investment in CalTRUST Investment Pool

CalTRUST is a joint powers agency authority created by local public agencies to provide a convenient method for local public agencies to pool their assets for investment purposes. CalTRUST is governed by a board of trustees made up of experienced local agency treasurers and investment officers. The board of trustees sets overall policies for the program and selects and supervises the activities of the investment manager and other agents. CalTRUST maintains and administers five pooled accounts within the program: Money Market, Short-Term, Medium-Term, Liquidity Fund, and Government Fund. The funds permit daily transactions, with liquidity ranging from same day to two days, and with no limit on the amount of funds that may be invested. All CalTRUST accounts comply with the limits and restrictions placed on local agency investments by the California Government Code. There is no maximum investment limit. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's percentage interest of the fair value provided by CalTRUST for the CalTRUST accounts (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by CalTRUST.

Investment in Cooperative Liquid Assets Securities System

The District is a voluntary participant in the California Cooperative Liquid Assets Securities System (California CLASS), a joint exercise of powers entity authorized under Section 6509.7, California Government Code. California CLASS is overseen and governed by a Board of Trustees, which consists of four members who are public agency finance professionals. The fund is audited annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

**MIDWAY CITY SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Restricted Cash and Investments – Pension Trust

The District established a Section 115 trust account with CalPERS entitled CEPPT to hold assets that are legally restricted for use in administering the District’s pension plan. Trust account holders can selection one of two strategy options for investments. The District selected the CEPPT asset allocation Strategy 1 portfolio, which seeks to provide capital appreciation and income consistent with its strategic asset allocation. The CEPPT Strategy 1 portfolio is invested in various asset classes that are passively managed to an index. CalPERS periodically adjusts the composition of the portfolio in order to match the target allocations. Generally, equities are intended to help build the value of the portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds. Compared with CEPPT Strategy 2, this portfolio has a higher allocation to equities than bonds. The CEPPT Strategy 1 portfolio consists of the following asset classes and corresponding benchmarks:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Target Range</u>	<u>Benchmark</u>
Global Equity	37 %	+/- 5%	MSCI All Country World Index IMI (net)
Fixed Income	44	+/- 5%	Bloomberg US Aggregate Bond Index
Treasury Inflation-Protected Securities (TIPS)	5	+/- 3%	Bloomberg US TIPS Index, Series L
Real Estate Investment Trusts (REITs)	14	+/- 5%	FTSE EPRA/NAREIT Developed Index (Net)
Cash	-	+/- 2%	91 Day Treasury Bill
Total	<u>100 %</u>		

Fair Value Measurements

The District categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the relative inputs used to measure the fair value of the investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The District’s investment in LAIF, CalTRUST Investment Pool, California CLASS and Pension Trust – CEPPT are not subject to the fair value hierarchy.

**MIDWAY CITY SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 CAPITAL ASSETS

Capital assets consist of the following at June 30, 2024:

	Balance at June 30, 2023	Additions	Deletions	Balance at June 30, 2024
Capital Assets, Not Depreciated:				
Land	\$ 92,948	\$ -	\$ -	\$ 92,948
Work/Construction in Progress	3,670,849	3,570,366	(7,241,215)	-
Total Capital Assets, Not Depreciated	<u>3,763,797</u>	<u>3,570,366</u>	<u>(7,241,215)</u>	<u>92,948</u>
Capital Assets, Being Depreciated:				
Building and Improvements	906,409	7,241,215	-	8,147,624
Lift Stations	5,582,673	-	-	5,582,673
Gravity Lines and Force Mains	17,818,984	-	-	17,818,984
Resident Containers	857,689	-	-	857,689
Refuse CNG Station & Facilities	3,459,268	-	-	3,459,268
Refuse Trucks	5,019,135	1,358,280	-	6,377,415
Other Vehicles	1,452,283	32,524	-	1,484,807
Other Equipment	1,059,021	210,760	(408,999)	860,782
Total Capital Assets, Being Depreciated	<u>36,155,462</u>	<u>8,842,779</u>	<u>(408,999)</u>	<u>44,589,242</u>
Less Accumulated Depreciation for:				
Building and Improvements	(889,247)	(66,555)	-	(955,802)
Lift Stations	(2,071,431)	(189,550)	-	(2,260,981)
Gravity Lines and Force Mains	(5,634,505)	(237,586)	-	(5,872,091)
Resident Containers	(400,255)	(85,769)	-	(486,024)
Refuse CNG Station & Facilities	(1,250,313)	(179,665)	-	(1,429,978)
Refuse Trucks	(3,872,490)	(331,705)	-	(4,204,195)
Other Vehicles	(1,034,794)	(141,583)	-	(1,176,377)
Other Equipment	(845,389)	(66,311)	408,999	(502,701)
Total Accumulated Depreciation	<u>(15,998,424)</u>	<u>(1,298,724)</u>	<u>408,999</u>	<u>(16,888,149)</u>
Total Capital Assets, Being Depreciated, Net	<u>20,157,038</u>	<u>7,544,055</u>	<u>-</u>	<u>27,701,093</u>
Capital Assets, Net	<u>\$ 23,920,835</u>	<u>\$ 11,114,421</u>	<u>\$ (7,241,215)</u>	<u>\$ 27,794,041</u>

NOTE 4 LONG-TERM LIABILITIES

Long-term liabilities consist of the following at June 30, 2024:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year	Due in More Than One Year
Compensated Absences	<u>\$ 264,378</u>	<u>\$ 233,249</u>	<u>\$ (179,888)</u>	<u>\$ 317,739</u>	<u>\$ 179,888</u>	<u>\$ 137,851</u>

**MIDWAY CITY SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 5 DESIGNATIONS OF NET POSITION

The designated balances of unrestricted net position established by the board of directors as of June 30, 2024, are as follows:

Vehicle Replacement	\$ 2,328,957
Lift (Pump) Station and Sewer Lines	30,948,299
Orange County, Midway City Reserve	2,117,443
Buildings, Equipment, and Facilities	3,073,607
Clean Natural Gas Fueling Facilities	2,022,786
Emergencies and Contingencies	1,454,340
Operating	<u>12,051,930</u>
Total Designations	53,997,362
Undesignated Net Position	<u>3,879,776</u>
Total Unrestricted Net Position	<u><u>\$ 57,877,138</u></u>

NOTE 6 DEFINED BENEFIT PENSION PLAN

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's separate Miscellaneous Employee Pension Plan, which is a cost-sharing multiple employer defined benefit pension plan administered by CalPERS. Benefit provisions under this plan are established by state statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, which is equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. All members are eligible for nonindustrial disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Cost of living adjustments the plan are applied as specified by the Public Employees' Retirement Law.

**MIDWAY CITY SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Benefits Provided (Continued)

Plan provisions and benefits in effect at June 30, 2023 (measurement date), are summarized as follows:

	Miscellaneous		
	Tier I Prior to July 1, 2009	Tier II On or After July 1, 2009	Tier III - PEPRA On or After January 1, 2013
Hire Date	July 1, 2009	July 1, 2009	January 1, 2013
Benefit Formula	3.0%@60	2%@55	2%@62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	50 - 67	50 - 67	52 - 67
Monthly Benefits, as a % of Eligible Compensation	2.0% to 3.0%	1.426% to 2.418%	1.0% to 2.5%
Required Employee Contribution Rates	8.00%	7.00%	6.75%
Required Employer Contribution Rates:			
Normal Cost Rate	17.260%	12.470%	7.680%
Payment of Unfunded Liability	\$ -	\$ -	\$ -

Contributions

Section 20814(c) of CalPERS law requires that employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS's annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. District contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions.

Pension Liability, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of fiscal year ended June 30, 2024, the District reported a net pension liability for its proportionate share of the net pension liability of the pension plan as follows:

	Proportionate Share of the Net Pension Liability
Miscellaneous	<u>\$ 998,527</u>

**MIDWAY CITY SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liability, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The District's net pension liability for the plan is measured as the proportionate share of the net pension liability. The net pension liability of the pension plan was measured as of June 30, 2023. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for the pension plan as of the measurement dates ended June 30, 2022 and 2023, was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2022	0.01308%
Proportion - June 30, 2023	0.01997%
Change - Increase (Decrease)	<u>0.00689%</u>

For the year ended June 30, 2024, the District recognized a pension expense of \$1,421,110. At fiscal year ended June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to Measurement Date	\$ 1,790,699	\$ -
Differences Between Actual and Expected Experience	51,010	(7,913)
Changes in Assumptions	60,286	-
Changes in Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	1,028,336	(254,840)
Net Differences Between Projected and Actual Earnings on Plan Investments	161,670	-
Total	<u>\$ 3,092,001</u>	<u>\$ (262,753)</u>

An amount of \$1,790,699 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025.

**MIDWAY CITY SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liability, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension plan will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 618,782
2026	365,867
2027	49,261
2028	4,639
2029	-
Thereafter	-

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement period was determined by an actuarial valuation as of June 30, 2022, with standard update procedures used to roll forward the total pension liability to June 30, 2023. The total pension liability was based on the following assumptions:

Valuation Date	<u>Miscellaneous</u>
Measurement Date	June 30, 2022
Actuarial Cost Method	June 30, 2023
Actuarial Assumptions:	Entry-Age Normal Cost Method
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	(1)
Mortality Rate Table	(2)
Postretirement Benefit Increase	(3)

(1) Varies by entry age and service.

(2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Preretirement and Postretirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

(3) The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.30% thereafter.

**MIDWAY CITY SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Real Return (a) (b)
Global Equity - Cap-weighted	30.00 %	4.45%
Global Equity - Non-Cap-weighted	12.00	3.84%
Private Equity	13.00	7.28%
Treasury	5.00	0.27%
Mortgage-backed Securities	5.00	0.50%
Investment Grade Corporates	10.00	1.56%
High Yield	5.00	2.27%
Emerging Market Debt	5.00	2.48%
Private Debt	5.00	3.57%
Real Assets	15.00	3.21%
Leverage	(5.00)	-0.59%
Total	100.00 %	

(a) An expected inflation of 2.3% used for this period.

(b) Figures are based on the 2021 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members would be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**MIDWAY CITY SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability (asset) for the pension plan, calculated using the discount rate for the plan, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease <u>(5.90%)</u>	Discount Rate <u>(6.90%)</u>	1% Increase <u>(7.90%)</u>
Net Pension Liability (Asset)	\$ 3,742,061	\$ 998,527	\$ (1,259,638)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued CalPERS financial report.

Payable to the Pension Plan

At June 30, 2024, the District had \$-0- of contributions payable to the pension plan as required for the year ended June 30, 2024.

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The District, through an agent multiple employer defined benefit plan, provides retiree medical (including prescription drug benefits) coverage to eligible retirees and their eligible dependents through the CalPERS Health Program. The District pays the monthly premium for the retired employee, the employee's spouse, and any surviving spouse, subject to a maximum per retiree and spouse. The monthly cap for 2024 and 2023 was \$1,875. The District's contribution will continue for the lifetime of the retiree and any surviving eligible spouse. Eligibility for retiree medical benefits is based on age, service, and the receipt of monthly pension payments from CalPERS.

Employees Covered

As of the June 30, 2023, actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	21	
Inactive Employees Entitled but not Receiving Benefits	8	
Active Employees	32	
Total	61	

**MIDWAY CITY SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Contributions

The plan and its contribution requirements are established by District policy and may be amended by the board of directors. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2024, the District's contributions included implied subsidy of \$54,292. Retiree premium health payments of \$193,796 was reimbursed by the trust. Due to the funded status of this plan, the actuarially determined contribution did not result in any payments needed for the trust.

Net OPEB Liability (Asset)

The District's net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation dated June 30, 2023.

Actuarial Assumptions.

The total OPEB liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions and applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal Cost Method, Level Percent of Pay
Actuarial Assumptions:	
Discount Rate and Expected Long-Term:	
Investment Rate of Return	6.00%
Inflation	2.50%
Projected Salary Increase	3.00% per Year
Health Care Cost Trend Rates	6.5% in 2025 decreasing to 3.9% by 2075 and later
Termination and Service Retirement Rates	CalPERS Experience Study Report Issued November 2021
Mortality	Derived from CalPERS Experience Study; improvement using MacLeod Watts Scale 2022

The actuarial assumptions used in the June 30, 2023 valuation were based on a standard set of assumptions that the actuary has used for similar valuations, and modified as appropriate for the District.

**MIDWAY CITY SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Long-Term Expected Rate of Return

The expected long-term return on trust assets was derived from information published by CalPERS for CERBT Strategy 1. CalPERS determined its return using a building-block method and best-estimate ranges of expected future real rates of return for each major asset class (expected returns, net of OPEB plan investment expense and inflation). The target allocation and best estimates of geometric real rates of return published by CalPERS for each major class are split for years 1-5 and years 6-20, which is summarized in the following table as of June 30, 2023. The returns in years 6-20 were assuming to continue in later years.

Major Asset Classification	Target Allocation	Years 1-5			Years 6-20		
		General Inflation Rate Assumption	1-5 Year Expected Real Rate of Return	Compound Return Years 1-5	General Inflation Rate Assumption	6-20 Year Expected Real Rate of Return	Compound Return Years 6-20
Global Equity	49.00%	2.40%	4.40%	6.80%	2.30%	4.50%	6.80%
Fixed Income	23.00%	2.40%	-1.00%	1.40%	2.30%	2.20%	4.50%
Global Real Estate (REITs)	20.00%	2.40%	3.00%	5.40%	2.30%	3.90%	6.20%
Treasury Inflation Protected Securities	5.00%	2.40%	-1.80%	0.60%	2.30%	1.30%	3.60%
Commodities	3.00%	2.40%	0.80%	3.20%	2.30%	1.20%	3.50%
Total	<u>100.00%</u>						
Volatility	12.10%		weighted	5.10%		weighted	6.30%

To derive the expected future trust return specifically for the District, the CalPERS' future return expectations were first adjusted to align with the 2.5% general inflation assumption. Then applying the plan specific benefit payments to CalPERS' bifurcated return expectations, the single equivalent long-term rate of return was determined to be 6.15%. The District is less optimistic about the future expected returns and approved 6.00% as the assumed asset return and discount rate to determine the OPEB liability in the plan for both plan funding and financial reporting purposes.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.00%. The projection of cash flows used to determine the discount rate assumed that the District's contributions would be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on the plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**MIDWAY CITY SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Changes of Assumptions

The following were the changes in assumptions or method from the measurement date June 30, 2022 to June 30, 2023:

- Long term expected rate of return and discount rate was decreased from 6.15% to 6.00%, reflecting current expected trust return information provided by CalPERS applied to the projected annual benefit cashflows and incorporating a 15 basis point margin for potential adverse return.
- Updated demographic assumptions from those in the 2019 CalPERS experience study to those recommended in the CalPERS 2021 Experience Study report issued November 2021. The mortality improvement scale was updated from MacLeod Watts Scale 2020 to MacLeod Watts Scale 2022, reflecting continued updates in available information (see Appendices).
- Updated the base healthcare trend scale from Getzen Model 2021_b to Getzen Model 2023, as published by the Society of Actuaries
- Following a review of recent and historical retiree participation elections, the following changes were made to participation rates:
 - Future retirees: Increased from 95% to 100% for coverage prior to age 65 and decreased from 95% to 90% for coverage after age 65.
 - Current retirees under 65: We decreased assumed participation on reaching age 65 from 100% to 90% to continue coverage for the remainder of the retiree's lifetime.

Changes in the Net OPEB Liability (Asset)

The changes in the net OPEB liability (asset) are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance - June 30, 2022 (Measurement Date)	\$5,597,772	\$6,127,737	\$ (529,965)
Changes for the Year:			
Service Cost	202,087	-	202,087
Interest on the Total OPEB Liability	350,112	-	350,112
Differences Between Actual and Expected Experience	108,993	-	108,993
Changes in Assumptions	(77,148)	-	(77,148)
Contribution - Employer	-	213,949	(213,949)
Net Investment Income	-	393,466	(393,466)
Administrative Expenses	-	(1,780)	1,780
Benefit Payments	(213,949)	(213,949)	-
Net Changes	<u>370,095</u>	<u>391,686</u>	<u>(21,591)</u>
Balance - June 30, 2023 (Measurement Date)	<u>\$ 5,967,867</u>	<u>\$ 6,519,423</u>	<u>\$ (551,556)</u>

**MIDWAY CITY SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the District, as well as what the District's net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (5.00%)	Discount Rate (6.00%)	1% Increase (7.00%)
Net OPEB Liability (Asset)	\$ 221,437	\$ (551,556)	\$ (1,191,705)

Sensitivity of the Net OPEB Liability (Asset) to Changes in Health-Care Cost Trend Rates

The following presents the net OPEB liability (asset) of the District, as well as what the District's net OPEB liability (asset) would be if it were calculated using health-care cost trend rates that are one percentage point lower or one percentage point higher than the current health-care cost trend rates:

	1% Decrease (5.50%) Decreasing to 2.90%	Current Health Care Cost Trend Rates (6.50%) Decreasing to 3.90%	1% Increase (7.50%) Decreasing to 4.90%
Net OPEB Liability (Asset)	\$ (1,272,576)	\$ (551,556)	\$ 336,442

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the District recognized OPEB income of \$131,542. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ 54,292	\$ -
Differences Between Actual and Expected Experience	93,288	(475,288)
Changes in Assumptions	364,234	(77,541)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	406,558	-
Total	\$ 918,372	\$ (552,829)

**MIDWAY CITY SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB
(Continued)**

An amount of \$54,292 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ (51,658)
2026	11,927
2027	282,555
2028	18,682
2029	45,434
Thereafter	4,311

Payable to the OPEB Plan

At June 30, 2024, the District had no outstanding amount of contributions to the OPEB plan as required for the year ended June 30, 2024.

NOTE 8 RISK MANAGEMENT

The District is exposed to various risks of loss relating to torts, theft, damage, and destruction of assets, errors and omissions, and natural disasters. Beginning in July 2013, the District began participation in an insurance pool through the Special District Risk Management Authority (SDRMA). SDRMA is a nonprofit public agency formed under California Government Code Sections 6500 et seq. SDRMA is governed by a board composed of members from participating agencies. The mission of SDRMA is to provide renewable, efficiently priced risk financing and risk management services through a financially sound pool. The District pays an annual premium for commercial insurance covering general liability, property, automobile, personal liability for board members, employment practices, workers' compensation, and various other claims. Accordingly, the District retains no risk of loss. Separate financial statements of SDRMA may be obtained at the Special District Risk Management Authority, 1112 "I" Street, Suite 300, Sacramento, California 95814.

At June 30, 2024, the District's insurance coverages were as follows:

Property Loss – Building and business personal property insured for a total property value of \$10,808,737 with a \$1,000 deductible per occurrence limited to insurable value and subject to various per occurrence and/or aggregate sublimits as noted in the policy.

General Liability – Insured up to \$10,000,000 per occurrence with a \$500 deductible per occurrence.

**MIDWAY CITY SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 RISK MANAGEMENT (CONTINUED)

Personal Liability for Board Members – Insured up to \$500,000 per occurrence with a \$500 deductible per occurrence.

Employment Practices – Insured up to \$10,000,000 per occurrence with no deductible.

Employee Benefits – Insured up to \$10,000,000 per occurrence with no deductible.

Employee and Public Official Dishonesty – Insured up to \$1,000,000 per occurrence with no deductible.

Auto – Insured up to \$10,000,000 per occurrence with a \$1,000 deductible per occurrence.

Auto Physical Damage – Insured for a total property value of \$7,778,437 with a \$1,000 deductible per occurrence.

Uninsured/Underinsured Motorists – Insured up to \$1,000,000 per accident with no deductible.

Public Officials' and Directors' Errors – Insured up to \$10,000,000 per occurrence with no deductible.

Trailer – Insured for a total property value of \$29,045 with a \$250 deductible per occurrence.

Boiler and Machinery – Insured up to \$100,000,000 per occurrence with a \$1,000 deductible per occurrence limited to insurable value.

Workers' Compensation – Insured up to the statutory limits with no deductible.

Cyber – Insured up to \$2,000,000 per occurrence with a \$50,000 deductible per occurrence limited to insurable value.

Pollution – Insured up to \$2,000,000 per occurrence with a \$250,000 deductible per occurrence limited to insurable value.

There were no instances in the past three years where a settlement exceeded the District's coverage, and no reduction in insurance coverage has occurred.

NOTE 9 COMMITMENTS AND CONTINGENCIES

Litigation

There are potential lawsuits in which the District may be involved. The District's management and legal counsel estimate that potential claims against the District, not covered by insurance, resulting from such litigation would not materially affect the operations or financial condition of the District.

REQUIRED SUPPLEMENTARY INFORMATION

**MIDWAY CITY SANITARY DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
LAST TEN FISCAL YEARS***

Fiscal Year-End	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Period	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Plan's Proportion of the Net Pension Liability (Asset)	0.01997%	0.01308%	-0.14582%	-0.00172%	0.00147%
Plan's Proportionate Share of the Net Pension Liability (Asset)	\$ 998,527	\$ 611,954	\$ (2,768,839)	\$ (72,379)	\$ 150,820
Plan's Covered Payroll	\$ 2,214,503	\$ 1,978,586	\$ 1,977,383	\$ 1,892,394	\$ 1,898,709
Plan's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	45.09%	30.93%	-140.03%	-3.82%	7.94%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability (Asset)	95.08%	96.88%	115.34%	100.42%	75.26%

NOTES TO SCHEDULE

Benefit Changes:

There Were no Changes in Benefits.

Changes in Assumptions:

From Fiscal Year June 30, 2015 to June 30, 2016:

GASB 68, Paragraph 68 States that the Long-Term Expected Rate of Return Should be Determined Net of Pension Plan Investment Expense but Without Reduction for Pension Plan Administrative Expense. The Discount Rate of 7.50% Used for the June 30, 2014 Measurement Date was Net of Administrative Expenses. The Discount Rate of 7.65% Used for the June 30, 2015 Measurement Date is Without Reduction of Pension Plan Administrative Expense.

From Fiscal Year June 30, 2016 to June 30, 2017:

There Were no Changes in Assumptions.

From Fiscal Year June 30, 2017 to June 30, 2018:

The Discount Rate was Reduced from 7.65% to 7.15%.

From Fiscal Year June 30, 2018 to June 30, 2019:

Inflation was Reduced from 2.75% to 2.50%.

From Fiscal Year June 30, 2019 to June 30, 2022:

There Were no Significant Changes in Assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate and long-term rate of return decreased from 7.15% to 6.90% and the inflation rate decreased from 2.50% to 2.30%.

From Fiscal Year June 30, 2023 to June 30, 2024:

There Were no Significant Changes in Assumptions.

**MIDWAY CITY SANITARY DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (CONTINUED)
LAST TEN FISCAL YEARS***

Fiscal Year-End	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Plan's Proportion of the Net Pension Liability (Asset)	-0.02800%	0.00143%	0.02076%	0.03315%	0.03680%
Plan's Proportionate Share of the Net Pension Liability (Asset)	\$ (27,430)	\$ 142,113	\$ 1,796,294	\$ 909,464	\$ 2,289,839
Plan's Covered Payroll	\$ 1,707,287	\$ 1,610,995	\$ 1,550,911	\$ 1,528,172	\$ 1,463,364
Plan's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	-1.61%	8.82%	115.82%	59.51%	156.48%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability (Asset)	75.26%	73.31%	115.82%	93.24%	489.23%

NOTES TO SCHEDULE

Benefit Changes:

There Were no Changes in Benefits.

Changes in Assumptions:

From Fiscal Year June 30, 2015 to June 30, 2016:

GASB 68, Paragraph 68 States that the Long-Term Expected Rate of Return Should be Determined Net of Pension Plan Investment Expense but Without Reduction for Pension Plan Administrative Expense. The Discount Rate of 7.50% Used for the June 30, 2014 Measurement Date was Net of Administrative Expenses. The Discount Rate of 7.65% Used for the June 30, 2015 Measurement Date is Without Reduction of Pension Plan Administrative Expense.

From Fiscal Year June 30, 2016 to June 30, 2017:

There Were no Changes in Assumptions.

From Fiscal Year June 30, 2017 to June 30, 2018:

The Discount Rate was Reduced from 7.65% to 7.15%.

From Fiscal Year June 30, 2018 to June 30, 2019:

Inflation was Reduced from 2.75% to 2.50%.

From Fiscal Year June 30, 2019 to June 30, 2022:

There Were no Significant Changes in Assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate and long-term rate of return decreased from 7.15% to 6.90% and the inflation rate decreased from 2.50% to 2.30%.

From Fiscal Year June 30, 2023 to June 30, 2024:

There Were no Significant Changes in Assumptions.

**MIDWAY CITY SANITARY DISTRICT
SCHEDULE OF CONTRIBUTIONS – DEFINED BENEFIT PENSION PLAN
LAST TEN FISCAL YEARS***

Fiscal Year-End	June 30, 2024	June 30, 2023	June 30, 2022 (a)	June 30, 2021	June 30, 2020
Contractually Required Contribution (Actuarially Determined)	\$ 301,948	\$ 269,778	\$ 255,160	\$ 257,924	\$ 726,722
Contributions in Relation to the Actuarially Determined Contributions	(1,790,699)	(269,778)	(255,160)	(413,927)	(726,722)
Contribution Deficiency (Excess)	(1,488,751)	-	-	(156,003)	-
Covered Payroll	\$ 2,568,816	\$ 2,214,503	1,978,586	1,977,383	1,892,394
Contributions as a Percentage of Covered Payroll	69.71%	12.18%	12.90%	20.93%	38.40%
NOTES TO SCHEDULE					
Valuation Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry Age	Entry Age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Market Value	Market Value	Market Value
Inflation	2.300%	2.300%	2.500%	2.500%	2.625%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	6.90% (3)	6.90% (3)	7.00% (3)	7.00% (3)	7.25% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

(1) Level Percentage of Payroll, Closed

(2) Depending on Age, Service, and Type of Employment

(3) Net of Pension Plan Investment Expense, Including Inflation

(4) 50 Years (2%@55 and 2%@60), 52 Years (2%@62)

(5) Mortality Assumptions are Based on Mortality Rates Resulting from the Most Recent CalPERS Experience Study Adopted by the CalPERS Board.

(a) Column includes corrections for restatement identified in fiscal year 2022-2023.

**MIDWAY CITY SANITARY DISTRICT
SCHEDULE OF CONTRIBUTIONS – DEFINED BENEFIT PENSION PLAN (CONTINUED)
LAST TEN FISCAL YEARS***

Fiscal Year-End	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contribution (Actuarially Determined)	\$ 317,793	\$ 266,724	\$ 255,432	\$ 241,905	\$ 235,999
Contributions in Relation to the Actuarially Determined Contributions	(317,793)	(266,724)	(2,123,730)	(241,905)	(1,935,999)
Contribution Deficiency (Excess)	-	-	(1,868,298)	-	(1,700,000)
Covered Payroll	1,898,709	1,707,287	1,610,995	1,550,911	1,528,172
Contributions as a Percentage of Covered Payroll	16.74%	15.62%	131.83%	15.60%	126.69%

NOTES TO SCHEDULE

Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
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Methods and Assumptions

Used to Determine

Contribution Rates:

Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value	15 Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

(1) Level Percentage of Payroll, Closed

(2) Depending on Age, Service, and Type of Employment

(3) Net of Pension Plan Investment Expense, Including Inflation

(4) 50 Years (2%@55 and 2%@60), 52 Years (2%@62)

(5) Mortality Assumptions are Based on Mortality Rates Resulting from the Most Recent CalPERS Experience Study Adopted by the CalPERS Board.

(a) Column includes corrections for restatement identified in fiscal year 2022-2023.

**MIDWAY CITY SANITARY DISTRICT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS
LAST TEN FISCAL YEARS***

Fiscal Year-End	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability:							
Service Cost	\$ 202,087	\$ 171,620	\$ 181,650	\$ 175,932	\$ 167,394	\$ 162,126	\$ 157,023
Interest on Total OPEB Liability	350,112	333,422	339,606	317,915	351,202	329,262	307,649
Differences between Actual and Expected Experience	108,993	-	(577,952)	-	(781,423)	-	-
Changes of Assumptions	(77,148)	406,611	144,587	-	(57,184)	-	-
Benefit Payments	(213,949)	(163,678)	(175,237)	(181,215)	(182,104)	(161,138)	(138,039)
Net Change in Total OPEB Liability	370,095	747,975	(87,366)	312,632	(502,115)	330,250	326,633
Total OPEB Liability - Beginning of Year	5,597,772	4,849,797	4,937,163	4,624,531	5,126,646	4,796,396	4,469,763
Total OPEB Liability - End of Year (a)	5,967,867	5,597,772	4,849,797	4,937,163	4,624,531	5,126,646	4,796,396
Plan Fiduciary Net Position:							
Contributions - Employer	213,949	97,558	38,567	181,215	182,104	1,567,225	6,972
Net Investment Income	393,466	(946,753)	1,560,478	195,303	321,380	299,068	350,153
Administrative Expenses	(1,780)	(1,798)	(2,145)	(2,700)	(1,116)	(2,060)	(1,771)
Other Expenses	-	-	-	-	-	(4,643)	-
Benefit Payments	(213,949)	(163,678)	(175,237)	(181,215)	(182,104)	(161,138)	(138,039)
Net Change in Plan Fiduciary Net Position	391,686	(1,014,671)	1,421,663	192,603	320,264	1,698,452	217,315
Plan Fiduciary Net Position - Beginning of Year	6,127,737	7,142,408	5,720,745	5,528,142	5,207,878	3,509,426	3,292,111
Plan Fiduciary Net Position - End of Year (b)	6,519,423	6,127,737	7,142,408	5,720,745	5,528,142	5,207,878	3,509,426
Net OPEB Liability (Asset) - Ending (a)-(b)	\$ (551,556)	\$ (529,965)	\$ (2,292,611)	\$ (783,582)	\$ (903,611)	\$ (81,232)	\$ 1,286,970
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	109.24%	109.47%	147.27%	115.87%	119.54%	101.58%	73.17%
Covered - Employee Payroll	\$ 2,598,271	\$ 2,310,720	\$ 2,265,018	\$ 2,219,965	\$ 2,004,990	\$ 1,707,287	\$ 1,610,995
Net OPEB Liability (Asset) as Percentage of Covered - Employee Payroll	-21.23%	-22.94%	-101.22%	-35.30%	-45.07%	-4.76%	79.89%

NOTES TO SCHEDULE

Benefit Changes:

There Were no Changes in Benefits.

Changes in Assumptions:

From Measurement Date June 30, 2017 to June 30, 2018: None.

From Measurement Date June 30, 2018 to June 30, 2019:

The Probabilities of Retirement, Termination, and Mortality Have Been Changed from the 2014 CalPERS OPEB Assumptions Model to the 2017 CalPERS OPEB Assumptions Model.

From Measurement Date June 30, 2019 to June 30, 2020: None.

From Measurement Date June 30, 2020 to June 30, 2021: Inflation rate decreased from 2.75% to 2.50% and salary increases changed from 3.25% to 3.00%.

From Measurement Date June 30, 2021 to June 30, 2022: Discount rate decreased from 6.75% to 6.15%.

From Measurement Date June 30, 2022 to June 30, 2023: Discount rate decreased from 6.15% to 6.00%.

* Fiscal Year 2018 Was the First Year of Implementation; Therefore, Only Seven Years Are Shown.

**MIDWAY CITY SANITARY DISTRICT
SCHEDULE OF CONTRIBUTIONS – OPEB
LAST TEN FISCAL YEARS***

Fiscal Year-End	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Actuarially Determined Contribution	\$ 231,595	\$ 58,057	\$ 52,539	\$ 138,060	\$ 136,307	\$ 176,711	\$ 256,997
Contributions in Relation to the Actuarially Determined Contributions	<u>(54,292)</u>	<u>(213,949)</u>	<u>(97,558)</u>	<u>(38,567)</u>	<u>(181,215)</u>	<u>(182,104)</u>	<u>(1,579,105)</u>
Contribution Deficiency (Excess)	177,303	(155,892)	(45,019)	99,493	(44,908)	(5,393)	(1,322,108)
Covered - Employee Payroll	2,568,816	2,598,271	2,310,720	2,265,018	2,219,965	2,004,990	1,707,287
Contributions as a Percentage of Covered - Employee Payroll	2.11%	8.23%	4.22%	1.70%	8.16%	9.08%	92.49%

NOTES TO SCHEDULE

Valuation Date	6/30/2022	6/30/2021	6/30/2021	6/30/2019	6/30/2019	6/30/2017	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates: Single and Agent Employers	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization Method	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay
Asset Valuation Method	Market	Market	Market	Market	Market	Market	Market
Inflation	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%
Salary Increases	3.00%	3.00%	3.00%	3.25%	3.25%	3.25%	3.25%
Discount Rate and Investment Rate of Return	6.00%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%
Mortality	(c)	(c)	(c)	(b)	(b)	(a)	(a)

(a) 2014 CalPERS Experience Study; Improvement Using MacLeod Watts Scale 2017

(b) 2017 CalPERS Experience Study; Improvement Using MacLeod Watts Scale 2018

(c) 2017 CalPERS Experience Study; Improvement Using MacLeod Watts Scale 2020

* Fiscal Year 2018 Was the First Year of Implementation; Therefore, Only Seven Years Are Shown.



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Midway City Sanitary District
Westminster, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Midway City Sanitary District (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Midway City Sanitary District's basic financial statements, and have issued our report thereon dated October 30, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Midway City Sanitary District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Midway City Sanitary District's internal control. Accordingly, we do not express an opinion on the effectiveness of Midway City Sanitary District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

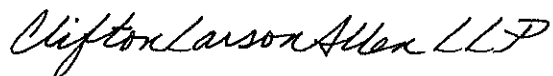
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Midway City Sanitary District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Irvine, California
October 30, 2024

MIDWAY CITY SANITARY DISTRICT
APPROPRIATIONS LIMIT WORKSHEET NO. 6
INDEPENDENT ACCOUNTANTS' REPORT
ON AGREED-UPON PROCEDURES APPLIED TO
APPROPRIATIONS LIMIT WORKSHEET NO. 6
YEAR ENDED JUNE 30, 2024



INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Midway City Sanitary District
Westminster, California

We have performed the procedures enumerated below on the accompanying Appropriations Limit Worksheet No. 6 of Midway City Sanitary District (the District) for the year ended June 30, 2024. The District's management is responsible for the Appropriations Limit Worksheet No. 6.

The District and the League of California Cities (as presented in the League publication entitled "Article XIII-B Appropriations Limit Uniform Guidelines") have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

- a. We obtained the completed Appropriations Limit Worksheet No. 6 for the year ended June 30, 2024, and compared the limit and annual adjustment factors included in that worksheet to the limit and annual adjustment factors that were adopted by resolution of the Board of Directors. We also compared the population and inflation options included in the aforementioned worksheet to those that were selected by a recorded vote of the Board of Directors.

No exceptions were noted as a result of our performing this procedure.

- b. For the Appropriations Limit Worksheet No. 6, we added last year's limit to the total adjustments, and compared the resulting amount to this year's limit. We also recalculated the adjustment factor and the adjustment for inflation and population, and compared the results to the amounts on Worksheet No. 6.

No exceptions were noted as a result of our performing this procedure.

- c. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit Worksheet No. 6 to the prior year appropriations limit adopted by the Board of Directors for the prior year.

No exceptions were noted as a result of our performing this procedure.

Board of Directors
Midway City Sanitary District

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Appropriations Limit Worksheet No. 6. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Irvine, California
October 30, 2024

**MIDWAY CITY SANITARY DISTRICT
 APPROPRIATIONS LIMIT WORKSHEET NO. 6
 YEAR ENDED JUNE 30, 2024**

Appropriations Limit for Fiscal Year Ended June 30, 2023 (see Note 2) \$ 8,128,191

Adjustments Factors for the Fiscal Year Ended June 30, 2024 (see Note 2):

	Inflation Factor (Note 3)	Population Factor (Note 4)	Combined Factor	
	1.0444000	0.9954000	1.0395958	0.0395958
Adjustment for Inflation and Population				321,842
Other Adjustments (Note 5)				-
Total Adjustments				321,842
Appropriations Limit for Fiscal Year Ended June 30, 2024				\$ 8,450,033

**MIDWAY CITY SANITARY DISTRICT
NOTES TO APPROPRIATIONS LIMIT WORKSHEET NO. 6
JUNE 30, 2024**

NOTE 1 PURPOSE OF LIMITED PROCEDURES REVIEW

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), California governmental agencies are restricted as to the amount of annual appropriations from proceeds of taxes. Effective for years beginning on or after July 1, 1990, under Section 1.5 of Article XIII B, the annual calculation of the appropriations limit is subject to an agreed upon procedures engagement in connection with the annual audit.

NOTE 2 METHOD OF CALCULATION

Under Section 10.5 of Article XIII B, for fiscal years beginning on or after July 1, 1990, the appropriations limit is required to be calculated based on the limit for the fiscal year 1986-87, adjusted for the inflation and population factors discussed at Notes 3 and 4 below.

NOTE 3 INFLATION FACTORS

A California governmental agency may adjust its appropriations limit by either the percentage change in California per capita personal income from the preceding year (which is supplied by the State Department of Finance), or the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction. The factor adopted by the Midway City Sanitary District for fiscal year 2023-2024 represents the percentage change in California per capita personal income from the preceding year.

NOTE 4 POPULATION FACTORS

A California governmental agency may adjust its appropriations limit by either the annual percentage change of the jurisdiction's own population, or the annual percentage change in population in the County where the jurisdiction is located. The factor adopted by the District for fiscal year 2023-2024 represents the annual percentage change in the population in the County where the District is located.

NOTE 5 OTHER ADJUSTMENTS

A California governmental agency may be required to adjust its appropriations limit when certain events occur, such as the transfer of responsibility for municipal services to, or from, another governmental agency or private entity. The District had no such adjustments for the year ended June 30, 2024.

AGENDA ITEM 9B

Date: November 19, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Robert Housley, General Manager

Subject: Approve and Authorize the General Manager to Execute a Professional Services Agreement (PSA) with LAN WAN Enterprise, Inc. for Information Technology Managed Services Provider (MSP) and Cybersecurity Services

BACKGROUND

The Midway City Sanitary District (District) currently lacks dedicated information technology (IT) staff and relies on a third-party Managed Services Provider (MSP) for its IT and cybersecurity needs. Outsourcing these services has proved to be more cost effective than hiring in-house staff, offering greater access to IT and cybersecurity expertise and allowing the District to focus on its core operations.

Since 2008, CRC Cloud (CRC) has served as the District's MSP & cybersecurity partner. However, the District has been operating on a month-to-month contract with CRC, and CRC recently proposed a long-term agreement, prompting District Staff to issue a Request for Proposal (RFP) to seek other options for IT MSP and cybersecurity services. The RFP was widely disseminated through the District's website, the California Special District Association conference, and referrals. A total of seven proposals were received, evaluated, and ranked, resulting in the selection of four companies for in-person interviews with the General Manager, Director of Finance, and Project Manager.

DISCUSSION

In light of increasing IT and cybersecurity risks, the District sought a third-party partner capable of providing comprehensive support services and cutting-edge cybersecurity solutions in line with industry best practices. The evaluation of the proposals considered various factors, including cost and overall value to the District.

The District received seven proposals from the following qualified companies:

- *Acorn Technology Services, Inc.*
- *CRC Cloud, Inc.*
- *Dirbos, Inc.*
- *Intelesys, Inc.*
- *LAN WAN Enterprise, Inc.*
- *VC3, Inc.*
- *Visual Edge IT, Inc.*

A copy of Staff’s evaluation of the proposing companies is attached. You can access copies of all seven proposals via the following link: <https://www.midwaycitysanitaryca.gov/request-for-proposals-rfp-s>

Following its evaluation and interviews of the proposers, Staff concluded that LAN WAN Enterprise, Inc. (LAN WAN) is the best fit for the District’s IT and cybersecurity needs. Founded in 2002 and headquartered in Irvine, California, LAN WAN has 22 employees, experience with a variety of local governments, and is a certified woman owned business with impeccable references. Notably, LAN WAN does not subcontract any of its core IT services, ensuring consistent and reliable support.

A proposed PSA with LAN WAN has been prepared by the DISTRICT’s General Counsel and is attached. The Agreement is for an initial term of three years, with three one-year option years exercisable at the discretion of the General Manager.

FISCAL IMPACT

The 2024-2025 administrative budget for IT and cybersecurity is \$70,000. In 2023-2024 the District paid \$77,852 in IT and cybersecurity costs, of which CRC Cloud was paid \$68,395.

Fiscal Impact of LAN WAN Proposal

The fiscal impact of engaging LAN WAN for the District’s IT and cybersecurity needs includes a monthly cost of \$4,000, which covers comprehensive IT support, 24/7 network management, and unlimited remote and on-site support. **Annually, this amounts to \$48,000.** After the first two years, LAN WAN may request an annual price increase that does not exceed the increase in CPI. Additionally, there is a one-time onboarding assessment and evaluation fee of \$2,500.

One-Time or Project Fees

Beyond the regular monthly and annual costs, LAN WAN has outlined specific fees for additional services and special projects. For instance, hardware procurement and configuration services are available at a flat rate of \$500 per instance. Special projects that fall outside the standard service agreement, such as major network infrastructure upgrades or comprehensive security overhauls, are billed at a blended rate of \$150 per hour. These fees ensure that the District can access specialized expertise and resources as needed for unique or large-scale IT initiatives.

Additional Hardware and Software Costs

The cost for additional hardware and software purchases is extra and will be quoted individually on an as-needed basis. The District retains the right to purchase equipment and software on its own or to procure it through LAN WAN to leverage better costs and quality of equipment. This flexibility allows the District to manage its IT budget effectively while ensuring access to high-quality technology solutions.

STAFF RECOMMENDATION

Staff recommends that the Board of Directors approve the PSA with LAN WAN Enterprise, Inc. for Information Technology MSP and Cybersecurity Services, in substantially the same form as presented at the meeting and authorize the General Manager to execute the Agreement on behalf

of the DISTRICT and to exercise optional extensions of the Agreement terms and approve CPI adjustments as set forth in the Agreement.

ATTACHMENTS

1. Copy of Request for Proposal for IT Managed Services
2. Evaluation Matrix
3. Proposed PSA, including Scope of Work and LAN WAN Enterprises, Inc. Proposal



MIDWAY CITY SANITARY DISTRICT

REQUEST FOR PROPOSALS

FOR INFORMATION TECHNOLOGY MANAGED SERVICES PROVIDER (MSP) AND CYBERSECURITY SERVICES

Release Date August 26, 2024

Site Walk (Non-Mandatory): September 18, 2024, at 10:00 a.m.

Proposals Due: On or Before October 1, 2024, at 3:00 p.m.

Proposal Submissions Shall be Directed to:

Robert Housley, General Manager
Midway City Sanitary District
14451 Cedarwood Street
Westminster, CA 92683
Phone (714) 893-3553
Email rhousley@midwaycitysanitaryca.gov

TABLE OF CONTENTS

I. INTRODUCTION.....4

A. Background.4

B. Purpose of the Request.5

II. SCOPE OF SERVICES.....5

III. TERM OF AGREEMENT.....6

IV. PROPOSAL FORMAT.....6

A. Approach.6

B. Description of Firm, Management and Team Members.....6

C. Qualifications.....7

D. Scope of Work.7

E. Proposed Pricing.7

F. References, Related Experience and Examples of Work.7

V. APPLICABLE LAWS AND PREVAILING WAGES.....8

A. Laws To Be Observed.....8

B. Prevailing Wages.....8

C. Licensing.....8

VI. SELECTION PROCESS.....8

A. Evaluation.....8

B. Selection Criteria.8

C. Proposed Selection and Project Schedule.....9

D. Award of Contract.....10

VII. PROPOSAL DUE DATE AND DELIVERY10

VIII. GENERAL CONDITIONS OF THE RFP.....10

A. General Conditions.....10

B. Liability of Costs and Responsibility.11

C. Validity.....12

D. Standard Agreement Terms.....12

E. Permits.12

F. Licenses and Certificates.....12

G. Oral and Written Explanations.12

H. Proposer's Representative.....13

I. Insurance.13
J. Future Engagements......13
IX. Exhibits......13
EXHIBIT A - SCOPE OF WORK14
EXHIBIT B – SAMPLE AGREEMENT18

I. INTRODUCTION.

The Midway City Sanitary District (“District” or “Owner”) is requesting Proposals from qualified firms (“Contractor” or “Proposer”) to perform a comprehensive assessment of its Information Technology (“IT”) infrastructure, cyber security, and to provide Managed Service Provider (MSP) services, cybersecurity protection, and aid in the formulation of and implementation of an ongoing technology strategic strategy and plan (“Project”).

A. Background.

The District is a California special district organized in 1939 under the Sanitary District Act of 1923 (Health & Safety Code §§ 6400 et seq.) to serve the citizens and businesses of the City of Westminster and unincorporated community of Midway City, in Orange County. The District's operations are conducted from offices located at 14451 Cedarwood Street, Westminster, CA 92683.

Situated in Orange County, the area of Westminster and Midway City is a large and diverse community. As a service district, the District provides solid waste services to approximately 20,000 residential and commercial customer accounts, supplies sanitary sewer services and maintains approximately 174 miles of gravity sewer lines that transport 13 million gallons a day to treatment facilities for 103,000 residents.

The District has relied upon an independent contracting firm to provide information technology management services, including technical support, network administration, software support, device management, telecommunication (RingCentral) services, and cybersecurity measures. The General Manager has oversight and provides direction to the third-party vendor.

The District currently has 34 employees in various departments, consisting of administration, finance, engineering, sewer collection (wastewater), solid waste collection, fleet maintenance, along with 5 elected members of the Board of Directors. The District’s regular business hours are Monday through Friday, 7:00 a.m. to 4:30 p.m. The District operates out of offices and a yard located in Westminster, California, and its employees work mainly in the main office and may utilize a hybrid schedule. In addition, some employees routinely travel in the course of their job responsibilities and may work remotely off-site or from home.

B. Current Technology Environment.

The District does not have a dedicated IT professional on staff. Under direction of the General manager, the Director of Finance provides oversight and management of the MSP and ensures compliance with the MSP agreement.

The District has relied upon an independent third-party consulting firm to provide MSP services, including, but not limited to, technical support, network administration, software and subscription support, domain registration and management, device management, audio visual, security camera system, telecommunications (RingCentral), and cybersecurity protection and measures.

A detailed list of the current technical environment and a site visit is available upon request.

Network connectivity is maintained through a fiberoptic line and via wireless access points.

The District currently has 1 internet provider (Spectrum), 1 onsite server running Microsoft Windows Server 2022, 1 backup system, and approximately 12 desktop workstations with dual monitors, 8 iPads, and 8 laptops, 3 switches, 4 wireless access points, 2 wireless bridges, 28 users (13 Microsoft Licenses for exchange online plan, 1-email only user, 15 Microsoft 365 Business Standard Licenses), 20 iPhones, 10 printers, 6 scanners, 1 copier/scanner/printer, and external security cameras. The District uses the Azure services including AD and DNS, Microsoft 365 suite of applications, a variety of other third-party software applications, and RingCentral telephone phone service and equipment.

Future growth opportunities may include but are not limited to a District wide Customer Relationship Management Software (CRM) or Enterprise Resource Planning software (ERP) program, additional tablets, and technology solutions for the District's field and operations crew.

C. Purpose of the Request.

The District is seeking a locally based MSP to provide comprehensive managed IT services, such as cybersecurity management, infrastructure management, endpoint management, software as a service management, licensing management, domain management, disaster recovery management, and long-term planning and implementation. The Contractor will provide support for hardware (including servers, switches, workstations, laptops, scanners, printers, copiers, tablets, et cetera), network, software, locally based technical support ("helpdesk") services 24/7, back-ups, remote access, on-site support, email maintenance and security, inventory management, telecommunications (RingCentral), cybersecurity, and disaster recovery.

To successfully manage these services, the Contractor is expected to work and communicate effectively with District staff, officials, and other vendors to make District technologies and systems seamless to the end users. The Contractor is also expected to guide and support long-term planning efforts to meet strategic goals and to keep systems current and functional in the most cost-effective manner.

The overall goal of this RFP is to procure professional, comprehensive, reliable, timely, and proactive IT management, cybersecurity measures, and support that will promote the District's mission and vision in serving its community.

II. SCOPE OF SERVICES.

The attached Exhibit A contains a list of major work tasks that should be accomplished as part of the scope of work. Proposers are asked to define the approach and the specific scope of work and methodology to achieve the objectives presented in this RFP. Proposers should include a refined scope of work by developing a detailed description of all project tasks and any changes, additions or recommendations proposed. The description of each project task should include specification

of the task itself, the methodology or analytical process, scheduling, personnel, and costs. If you have any questions, please contact:

Robert Housley, General Manager
Midway City Sanitary District
14451 Cedarwood Street
Westminster, CA 92683
(714) 893-3553
rhousley@midwaycitysanitaryca.gov

or

Michelle Mai, Project Manager
Midway City Sanitary District
14451 Cedarwood Street
Westminster, CA 92683
(714) 893-3553
mmai@midwaycitysanitaryca.gov

III. TERM OF AGREEMENT

The District anticipates entering into an agreement with the selected Contractor for an initial three-year term, with one optional three-year extension, exercisable by the District in its sole discretion.

IV. PROPOSAL FORMAT.

All proposals shall include the following minimum information:

A. Approach.

A short discussion of the intended approach to the Project that demonstrates the proposer's understanding of the issues and tasks and the proposer's ability to address them.

B. Description of Firm, Management and Team Members.

A description of the proposer and its proposed team. The proposer's description should clearly identify who will be the project manager and the day-to-day contact person for the Project. The proposal must identify the legal name, address, telephone number, and primary contact for each business entity that will provide services for the Project. The proposal shall expressly indicate if it is a joint proposal by more than one business entity. If a proposer intends to subcontract any of the work for the Project, the proposal shall identify and describe the qualifications of each subcontractor proposed to be used. The proposer(s) shall demonstrate that each business entity proposed to provide work for the Project is authorized to do business in the State of California, the County of Orange, and the City of Westminster. For any business entity that is organized as a corporation, limited liability company, or other entity under the laws of another state, the proposal

shall include evidence that such business entity is properly registered with the California Secretary of State.

C. Qualifications.

Provide an outline of the proposer’s qualifications and relevant background experience and capabilities for this Project.

D. Scope of Work.

The proposal should contain a description of each work task with an explanation of how the proposer plans to approach the tasks and the steps that will be taken to complete the tasks. Proposers must demonstrate that they understand the magnitude and importance of each individual task.

E. Proposed Pricing.

The proposal must include a Price Proposal that outlines the proposed pricing for each of the required work tasks. The Price Proposal shall include the following:

- Describe the pricing model(s) that you typically employ for your services.
- Indicate the charges associated with each of the items listed in Exhibit A - Scope of Work.
- A fixed “not-to-exceed” monthly price for recurring services. Overhead, mileage, and other reimbursable expenses shall be included in the fixed no-to-exceed price, except as otherwise expressly provided in the proposal. The Price Proposal shall expressly list all services, equipment, materials, and other items that are not included within the proposed fixed not-to-exceed monthly price.
- Special Projects: Provide additional hourly rates for project management and technical services to assist with projects; to be billed on an hourly basis for any additional services that may be provided (rates to be included in the proposal).

The District contemplates that the fees, rates, and/or unit prices set forth in the Price Proposal will remain fixed and unchanged for the first two (2) years of the Agreement, and that, thereafter, the Contractor may request price adjustments once per year, which will be subject to approval by the District’s General Manger and may not exceed the greater of (1) the value of the change in the Consumer Price Index for the Los Angeles/Orange County area for the preceding one year as published for the month of April of any given year, or (2) I five percent (5%) per year regardless of CPI or any other cost factors.

F. References, Related Experience and Examples of Work.

Include client references with phone numbers for relevant work. Specify the client, location, type of work, implementation results or status, examples of work, and other relevant information as

needed. Proposers shall provide a minimum of three (3) references for the development of IT assessments. References should be for local governments, located in the State of California, of similar size or larger than the Midway City Sanitary District. Proposers shall provide contact names, emails, and phone numbers for each reference.

V. APPLICABLE LAWS AND PREVAILING WAGES.

A. Laws To Be Observed.

The Contractor shall keep itself fully informed of all existing and future federal, state and local laws which in any manner affect those engaged or employed in the work, or the materials used in the work, or which in any way affect the conduct of the work, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the Project.

B. Prevailing Wages.

The District has determined that this Project does not require work of labor categories which are subject to Prevailing Wage Laws identified in the State of California Labor Code.

C. Licensing.

The Contractor is responsible for obtaining a business license from the City of Westminster, and any professional licenses required to provide the requested services.

VI. SELECTION PROCESS.

A. Evaluation.

All proposals received by the due date will be evaluated by the District’s General Manager and assigned staff and/or consultants. The General Manager will make a recommendation to the District’s Board of Directors based on this evaluation. Only information which is received in response to the RFP or via any subsequent interview will be evaluated. The District will evaluate the responses of each proposer in several critical areas. Selected proposers may be invited to an oral interview.

B. Selection Criteria.

While price is a factor, the District will select the most qualified proposal based on the following factors. Responses to the RFP should address the qualities and indicators that are listed below:

1. Pricing and Cost.
2. Ability of the proposer to design an approach and work plan to meet the Project requirements, which will include an assessment of the overall quality of the proposal. Qualities and indicators that will receive consideration include:

- The proposer's performance in converting the Scope of Services into a work plan;
 - The detail and clarity of the discussion as to the proposer's approach to undertaking the Project;
 - The proposer's performance in identifying any special problems or concerns which may be associated with the Project and preliminary ideas about how these obstacles should be addressed;
 - The inclusion of any unique approaches which are designed to save time and money or increase the benefits or effectiveness of the proposed work; and
 - The demonstrated ability to work with governmental bodies and a full understanding of applicable laws or regulations that relate to the Project.
3. Ability of the Proposer to carry out and manage the Project, which includes an assessment of the past experience of the proposer in general.
 4. Capabilities of the proposer and/or its proposed team, which includes an assessment of the capabilities of the proposer and individuals that will be engaged in the Project.
5. Proximity of the proposer to the Project site. The application of this criteria will include an assessment of the following:
- The proposer's geographic proximity to the Project site;
 - The location of the office from which the Project will be administered;
 - The perceived response time and general availability of the proposer's management to be on site;
 - The perceived effect that Project management location will have on price and the ability of the Project to be expedited on a timely basis; and
 - The availability of special travel or communication plans which would effectively mitigate difficulties associated with location.
6. Willingness to comply with the proposed Agreement terms. A sample Agreement is attached in Exhibit B. Proposals will be rated based on the exceptions taken to the proposed Agreement.

C. Proposed Selection and Project Schedule.

Site Walk (Non-Mandatory): September 18, 2024, 10:00 AM
 Questions Due: September 20, 2024
 Response Date: September 25, 2024
Proposal Due Date: On or before October 1, 2024, 3:00 PM
 Award of Agreement: October 15, 2024 (or November 5, 2024, as backup)
 Projected Start Date: Within 14 calendar days from execution of contract.
 Projected Completion Date: To be determined.

D. Award of Contract.

It is anticipated that any award of an agreement for services will be made by the District Board at its October 15, 2024, regular meeting (November 5, 2024, as backup). The District Board may direct the General Manager to negotiate with one or more proposers.

VII. PROPOSAL DUE DATE AND DELIVERY

Proposals shall be prepared according to the instructions contained in this RFP, including any addenda hereto published by the District. Proposals must be delivered by e-mail with confirmation, mail, courier, express or by hand to the District at its offices at:

Midway City Sanitary District
Attention: GENERAL MANAGER
14451 Cedarwood Street
Westminster, CA 92683
E-mail: rhouley@midwaycitysanitaryca.gov

by 3:00, p.m., prevailing time, on or before October 1, 2024.

All copies received by that time will be date and time stamped. Proposals will not be accepted after this time.

VIII. GENERAL CONDITIONS OF THE RFP.

A. General Conditions.

The District reserves the right to cancel or reject all or a portion or portions of the RFP without notice. Further, the District makes no representations that it will enter into an Agreement with any proposer submitting a proposal. The District reserves the right to reject any and all proposals submitted in response to this request or any addenda thereto, including without limitation the right to reject any or all nonconforming, nonresponsive, unbalanced, or conditional proposals and to reject the proposal of any proposer that the District believes would not be in the best interest to hire. The District also reserves the right to reject any subcontractor or individual working on a proposed team and to replace them with a mutually acceptable replacement.

Upon receipt by the District, proposals are considered a public record and subject to disclosure under the Public Records Act, including within such information, without limitation, personal identification information such as social security numbers, bank account numbers, and drivers' license numbers. Further, after the award of the Contract by the District, whether or not a proposer is the successful Contractor, all material in proposals received by the District shall be subject to the right of the public to inspect and to obtain copies. The District shall retain all proposals submitted in response to this RFP for as long as the District is required to do so under the law.

In submitting a proposal, each proposer agrees that the District may reveal any trade secret materials contained in such response to all District staff and District officials involved in the selection process, and to any outside consultant or other third parties who are hired or appointed by the District to assist in the evaluation process.

Each proposer may designate specified information as a trade secret and confidential and agrees to indemnify and hold harmless the District and each of its officers, employees, and agents from all liability, damages and expenses, including reasonable attorneys' fees, incurred by any of them in connection with the District's refusal to disclose any material that the proposer has so designated. Any Consultant that designates its entire proposal as a trade secret will be disqualified.

Any changes to the proposal requirements will be made by written addendum.

The District reserves the right to waive any and all defects or informalities in any proposal.

It shall be the responsibility of each proposer before submitting a proposal:

- To examine thoroughly the requirements of this RFP;
- To visit the District to become familiar with and satisfy the proposer as to the general, local, and site conditions, and has obtained any additional or supplementary examinations, investigations, explorations, tests, or other studies concerning conditions at the District;
- To study and carefully correlate proposer's knowledge with this RFP and such other related data; and
- To promptly notify the District of all conflicts, errors, ambiguities, or discrepancies that proposer has discovered in this RFP.

B. Liability of Costs and Responsibility.

The District assumes no liability for any cost incurred by proposers responding to this RFP or in responding to any further requests for interviews, or additional information, prior to the issuance of the Contract. All costs shall be borne by the person or firm responding to the request. Proposers responding to the request shall hold the District harmless from any and all liability, claim or expense whatsoever incurred by or on behalf of that person or firm. All submitted material becomes the property of the District.

The selected Contractor will be required to assume responsibility for all services offered in the proposal whether or not they possess them within their firm. The Contractor will be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the Contract.

C. Validity.

Proposers agree to be bound by their proposals for a period of ninety (90) days commencing on October 1, 2024, during which time the District may request clarification or correction of the proposal for the purpose of evaluation. Amendments or clarifications shall not affect the remainder of the proposal, but only that portion so amended or clarified.

D. Standard Agreement Terms.

The selected Contractor will be required to enter into the District's standard Agreement, a copy of which has been provided in Exhibit B. Each proposer shall assume that the execution of this Agreement, without changes, will be a required condition unless proposed modifications are requested at the time of submittal of the proposal and then accepted by the District. If a proposer wishes to take exception to any of the terms and conditions contained in the Agreement, these should be identified specifically; otherwise it will be assumed that the proposer is willing to enter into the Agreement as it is written. Failure to identify contractual issues of dispute can later be the basis for the District disqualifying a proposer. Any exceptions to terms, conditions, or other requirements must be clearly stated. Otherwise, the District will consider that all items offered are in strict compliance with the RFP, and the successful proposer will be responsible for compliance. The District will consider such exceptions as part of the evaluation process which may constitute grounds for rejection of the proposal. The Agreement will not be executed by the District without first being signed by the proposer.

E. Permits.

The Contractor and all its subcontractors, at its and/or their sole expense, shall obtain and maintain during the term of the Agreement, all appropriate permits required in connection with the performance of the Project.

F. Licenses and Certificates.

The Contractor and all its subcontractors, at its and/or their sole expense, shall obtain and maintain during the term of the Contract, all appropriate licenses and certificates required in connection with the performance of the Project.

The required Licenses and Certificates include:

1. City of Westminster Business License
2. Any professional licenses required to provide the requested services.

G. Oral and Written Explanations.

The District will not be bound by oral explanations or instructions given at any time during the review process or after the award. Oral explanations given during the review process and after award become binding when confirmed in writing by an authorized District official.

Written responses to question(s) asked by one proposer will be provided to all proposers who received the Request for Proposals.

H. Proposer's Representative.

The person signing the proposal must be a legal representative of the firm authorized to bind the proposer to an agreement in the event of the award.

I. Insurance.

General Liability, Automobile, and Worker's compensation insurance are required in the amount set forth in the attached sample Agreement.

J. Future Engagements.

The District retains the right to engage with additional partners and vendors that can provide additional value and operational services similar to the scope of work within this proposal.

IX. Exhibits.

- A. Scope of Work
- B. Sample Agreement

EXHIBIT A - SCOPE OF WORK

The scope of work, as may be modified through negotiation and/or by written addendum issued by Midway City Sanitary District, will be included in the Agreement. Under the direction of the General Manager, the Contractor will be expected to perform all services described in the Scope of Services via remote access, telephone, and onsite support jointly agreed upon by District and Contractor.

The Contractor shall provide a dedicated on-site support person for approximately 4 hours per week during normal office business hours for the first two months of transition to a new Contractor, for the purpose of providing support and assure a smooth and successful transition from one firm to another.

- A. Initial Assessment:** The initial assessment will consist of the following but is not limited to:
- a. Review of inventory and assessment of system infrastructure and equipment, cybersecurity measures, software, and assets to determine protections, efficiency, life expectancy, speed, age, and efficacy of current processes.
 - b. Provide recommendations for improving routine maintenance to eliminate emergency maintenance situations, including cloud hosted services, intrusion testing to assess cybersecurity measures and protections.
 - c. A report of the initial assessment shall be submitted within sixty (60) days of the signed agreement and will be updated annually or as needed throughout the duration of the contract.
- B. Cybersecurity Management:** Includes comprehensive security solutions, including firewall management, IPS/IDS, VPN, antivirus, spam protection, and web filtering, along with advanced services such as real-time security monitoring through SIEM and 24/7 threat detection and response via SOC, ensuring robust protection against evolving cyber threats. Managing risks, and incident response. Employee training and intrusion testing.
- C. Infrastructure Maintenance and Management:** Includes local 24/7 monitoring and support for servers, storage, LAN/WAN, virtualization platforms, and IP telephony, ensuring maximum uptime and reliability.
- D. Disaster Recovery Management:** Includes comprehensive disaster recovery solutions, including backup management and offsite server replication to ensure data protection and swift recovery.
- E. End Point Management:** Full support for PCs, laptops, tablets, and smartphones, ensuring all devices are secure and fully operational.

- F. Software as a Service Management:** Management of cloud-based and desktop applications including but not limited to Microsoft 365, Azure, Adobe, and RingCentral, ensuring smooth integration and operation.
- G. Licensing Management:** Comprehensive management of software licenses, including but not limited to renewals and compliance for firewalls, antivirus, Microsoft 365, and more.
- H. Domain Management:** Manage domain renewals and DNS configuration to ensure a secure and uninterrupted online presence. Monitor domain status to prevent unauthorized changes or interruptions.
- I. Long-Term Planning:** Capacity planning, IT governance, and emerging technology research to align IT investments with District goals, including IT budget development and risk management for long-term success.
- J. Team Meetings:** Consistent and frequent communication to discuss any relevant topics or concerns is vital to the success of this partnership and protection of the District's operations, its data, and information. Team meetings provide for an informed and successful IT team. The team will consist of but not limited to District staff, the Contractor, and any other third-party partners necessary for the operations and security of the District. The Contractor and District personnel shall meet in person, on site, at least twice a year or as determined by the District.
- K. Equipment:** Historically, the Contractor has purchased new equipment based on Consultant recommendations. However, this contract does not obligate the District to purchase computer equipment, hardware devices, peripherals, cabling, licenses, software, etc., from the Contractor. The District retains the right to select and purchase any and/or all equipment itself.
- L. Infrastructure Maintenance and Management:** Ensuring consistent performance, maximizing uptime, and minimizing system failures largely depend on applying due diligence in performing routine maintenance and management tasks. These tasks include but are not limited to:
- a. Management of networks and computer systems, including complex applications, databases, communication systems, servers, external security camera system, and associated hardware, software, and operating systems necessary for system performance, security, reliability, and recoverability.
 - b. Reviewing all process logs for normal execution and performance.
 - c. Monitoring and reporting the status of servers, and networks.
 - d. Conducting preventative maintenance, software updates and patch management.

- e. Timely responses to repair, maintenance, and user support requests.
- f. Maintaining records of both on-site and "help-desk" support service tickets.
- g. Performing backups, backup rotations, and restoration of all systems, servers, networks, and equipment.
- h. Developing and maintaining procedural documentation for active servers, including comprehensive inventory (hardware, software, applications, and licensing), product manuals, baseline settings, scripts, a network map, and action logs.
- i. Configuration management, including changes, patches, etc., on a weekly basis.
- j. Support of software related to servers, workstations, laptops, tablets, and other network equipment.
- k. New equipment, software, and existing data will be installed and transferred as requested.
- l. Implementation of support related to software migrations, as needed. This may require communication and troubleshooting with other District vendors.
- m. Monitoring and adjusting data backup and recovery systems on a weekly basis to include new or changing data sources.
- n. Verify that backup is completed on a weekly basis. Quarterly backup verification by testing, Confirm that backups are stored offline.
- o. Testing of data restoration processes to evaluate effectiveness in the event of a system failure, occurring at least quarterly.
- p. Maintenance of IT asset inventory and regular scheduling of electronic retirement and proper disposal (e.g., wiping agency data from hardware prior to disposal, recording specs and estimated value of retired equipment, and coordinating the sale of serviceable equipment or e-waste collection of retired equipment). The District typically handles e-waste of retired equipment.
- q. Monitoring and managing of the District's telecommunications and phone system with a separate contracted vendor (RingCentral) and providing District staff support.

M. Network Administration: This consists of a variety of tasks required to initiate, adjust, and implement network functions, including but not limited to:

- a. Network equipment maintenance and support, including switches, firewalls, and other similar devices, including public and internal Wi-Fi.
- b. Network, network device, and server capacity monitoring and planning.
- c. Server OS configuration and version updates.
- d. Management of backup and disaster recovery systems.
- e. Installation and troubleshooting of printers/scanners not otherwise serviced by a separate vendor.
- f. Analysis, routine configuration changes, minor cabling, and installation of patches and upgrades.
- g. Proactive monitoring of network equipment, performance, and management; troubleshooting, as required.
- h. Maintenance of the District's email accounts using the District domain, including adding, changing, and/or deleting employee accounts as requested. District staff must have access and training to add/edit/audit.
- i. Mapping of network resources, such as shared file storage drives.
- j. Service pack installations.

N. Website: While the District contracts with a dedicated website vendor (Streamline) for its web platform and hosting services, the Contractor will be required to provide the following website-related support services but not limited to:

- a. Maintain required SSL certificates and domains.

O. Finance, Audit, Public Records Act Requests, and Grant Assistance: The Contractor shall provide and aid the District with any audit, finance, Public Record Act requests, and IT or Cybersecurity grants and funding tasks on an as-needed basis (including but not limited to):

- a. Maintain a list of all software and subscription-based programs and aid the District in providing any and all data and information that may be required as part of an audit, or as needed to support the District's obligations and reporting requirements.
- b. Assist the District with retrieving any data and information required to respond to any Public Records Act requests.
- c. Aid in preparing and applying for any grants for IT or Cybersecurity.

P. Communication: The Contractor is expected to uphold the following communication standards:

- a. Maintain a professional and effective communication rapport with District staff, promptly providing valuable and accurate information.
- b. Establish a consistent work schedule to outline when routine on-site maintenance and technical support will occur.
- c. Monitor lifecycles and service contracts for all hardware and software related licenses and warranties. Provide advice regarding management of end-of-life or impending expirations at least six months before expiration.
- d. Communicate new developments or recommendations regarding technology to improve IT operations' efficiency and effectiveness.
- e. Meet annually to review the current state of the District's information technology and managed services agreement.

Q. Training: At the request of the District, the Contractor will provide end-user training for various software (Microsoft 365), hardware, and network technologies, as needed.

- a. The Contractor shall provide trainings on a variety of topics but not limited to cybersecurity, ransomware, MFA, AI and other opportunities to protect the safety of the District's information technology and network.

R. Equipment: Historically, the Contractor has purchased equipment based on Contractor's recommendations. However, this contract does not obligate the District to purchase any equipment, hardware, devices, cabling, licenses, software, etc., from the Contractor. The District retains the right to purchase all equipment and software as it sees fit.

S. Exclusions: The District uses a different third-party vendor for management of its sewer SCADA system, and that system is excluded from this scope of work.

EXHIBIT B – SAMPLE AGREEMENT

PROFESSIONAL SERVICES AGREEMENT

NAME OF CONTRACTOR

(Information Technology Managed Services Provided and Cybersecurity Services)

THIS PROFESSIONAL SERVICES AGREEMENT (hereinafter “Agreement”) is made this ____ day of _____, 2024, by the MIDWAY CITY SANITARY DISTRICT, a public entity (hereinafter referred to as “DISTRICT”) and _____, a _____, (hereinafter referred to as “CONTRACTOR”). DISTRICT and CONTRACTOR are sometimes hereinafter individually referred to as “Party” and are hereinafter collectively referred to as the “Parties.”

RECITALS

The following recitals are a substantive part of this Agreement:

- A. This Agreement is entered into pursuant to pursuant to Midway City Sanitary District Board authorization dated _____, 2024.
- B. DISTRICT has determined there is a need to retain the professional services of a qualified company to provide the DISTRICT with a comprehensive assessment of its Information Technology (“IT”) infrastructure and cyber security, to provide Managed Service Provider (MSP) services and cybersecurity protection, and to aid in the formulation of and implementation of an ongoing technology strategic strategy and plan (the “Project”).
- C. In response to DISTRICT’s Request for Proposals, dated _____, 2024, CONTRACTOR has submitted to DISTRICT a proposal, dated _____, to provide DISTRICT with professional services for the Project pursuant to this Agreement (the “Proposal”).
- D. CONTRACTOR represents and maintains that it is uniquely qualified by virtue of its experience, training, education, reputation, and technical expertise to provide professional services to DISTRICT for the Project and has agreed to provide such services as provided herein. DISTRICT does not have the personnel, training, certification, or specialized technical expertise necessary to perform the work and services contracted for herein.
- E. DISTRICT desires to retain CONTRACTOR to provide professional services for the Project.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

- 1. **Term and Termination.** This Agreement shall commence on _____, 2024, and shall continue through _____, 2027, with an option to extend the Agreement for up to three

(3) additional one (1) year terms at the DISTRICT's option, unless earlier terminated by DISTRICT. The DISTRICT's General Manager is authorized to exercise said extension options on behalf of the DISTRICT. This Agreement may be terminated by DISTRICT without cause upon thirty (30) days written notice, and by CONTRACTOR without cause upon ninety (90) days' notice. In such event, the DISTRICT will compensate CONTRACTOR for work performed to date in accordance with Section 3.5 of this Agreement. CONTRACTOR is required to present evidence to support performed work completion. CONTRACTOR is required to present evidence to support performed work completion.

2. Services to be Provided and Standard of Performance.

2.1 Scope of Services. In compliance with all terms and conditions of this Agreement, CONTRACTOR agrees to provide and perform professional information technology services for the Project as set forth in (a) the Proposal, which is attached hereto as Exhibit "A" and incorporated herein by reference, and (b) the Scope of Work, which is attached hereto as Exhibit "B" and incorporated herein by reference (hereinafter referred to as the "Scope of Services," the "Services" or "Work"). As a material inducement to DISTRICT entering into this Agreement, CONTRACTOR acknowledges and understands that the Services and Work contracted for under this Agreement require specialized skills and abilities and that, consistent with this understanding, CONTRACTOR's Services and Work shall be performed in a skillful and competent manner and shall be held to a standard of quality and workmanship prevalent in the industry for such Services and Work and with the standards recognized as being employed by professionals in the same discipline in the State of California. CONTRACTOR represents and warrants that it is skilled in the professional discipline necessary to perform the Services and Work and that it holds the necessary skills and abilities to satisfy the standard of work as set forth in this Agreement. CONTRACTOR represents and warrants that it and all of its employees, subconsultants and subcontractors providing any Work or Services under this Agreement shall have sufficient skill and experience to perform the Services and Work assigned to them. All Services and Work shall be completed to the reasonable satisfaction of DISTRICT. The Proposal, the Request for Proposals, and this Agreement do not guarantee any specific amount of work.

2.2 Contract Documents. The Agreement between the Parties shall consist of the following: (1) this Agreement; and (2) CONTRACTOR's Proposal; and (3) the Scope of Work, which shall all be referred to collectively hereinafter as the "Contract Documents." The CONTRACTOR's Proposal is attached hereto as Exhibit "A" and is hereby incorporated by reference and made a part of this Agreement. The Scope of Work is attached hereto as Exhibit "B" and is hereby incorporated herein by reference. All provisions of the Contract Documents shall be binding on the Parties. Should any conflict or inconsistency exist in the Contract Documents, the conflict or inconsistency shall be resolved by applying the provisions in the highest priority document, which shall be determined in the following order of priority: (1st) the terms and conditions of this Agreement; and, (2nd) the provisions of the Scope of Work (Exhibit "B"); and (3rd) the provisions of the CONTRACTOR's Proposal (Exhibit "A").

2.3 Compliance with Law. CONTRACTOR shall comply at all times during the term of this Agreement with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government, including without limitation all applicable fair labor standards and

Cal/OSHA requirements. CONTRACTOR shall keep itself fully informed of and in compliance with all local, state, and federal laws, rules, and regulations in any manner affecting the performance of the Work and Services, including all Cal/OSHA requirements, and shall give all notices required by law. CONTRACTOR shall be liable for all violations of such laws and regulations in connection with performing the Work and Services. If CONTRACTOR performs any Work or Services in violation of such laws, rules, and regulations, CONTRACTOR shall be solely responsible for all penalties and costs arising therefrom. CONTRACTOR shall defend, indemnify, and hold DISTRICT, its officials, officers, employees, agents and volunteers, free and harmless from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules, or regulations.

2.4 Licenses, Permits, and Fees. Prior to performing any Services or Work hereunder CONTRACTOR shall obtain all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession and perform the Work and Services required by this Agreement. CONTRACTOR represents and warrants to DISTRICT that CONTRACTOR shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement and any extension, any license, permit, qualification, or approval that is legally required for CONTRACTOR to perform the Work and Services under this Agreement. CONTRACTOR shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the CONTRACTOR's performance of the Work and Services required by this Agreement, and shall defend, indemnify, and hold DISTRICT, its officials, officers, employees, agents and volunteers, free and harmless from and against any claim or liability arising out of any failure or alleged failure to obtain such license, permits, and approvals of whatever nature that are legally required to perform the Work or Services.

2.5 Familiarity with Work. By executing this Agreement, CONTRACTOR warrants that: (a) it has thoroughly investigated and considered the Scope of Work or Services to be performed; (b) it has carefully considered how the Services should be performed and has carefully examined the location or locations at or with respect to where such Services or Work is to be performed and is aware of all conditions there; and (c) it understands the facilities, difficulties, and restrictions of attending performance of the Services under this Agreement. If the Services involve work upon any site, CONTRACTOR represents and maintains that CONTRACTOR has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of any Services hereunder. Should CONTRACTOR discover any latent or unknown conditions materially differing from those inherent in the Work or as represented by DISTRICT, it shall immediately inform DISTRICT of this and shall not proceed, except at CONTRACTOR's risk, until written instructions are received from DISTRICT.

2.6 Care of Work. CONTRACTOR shall adopt reasonable methods during the term of the Agreement to furnish continuous protection to the Work and the equipment, materials, papers, documents, plans, studies, and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the Work by DISTRICT, except such losses or damages as may be caused by DISTRICT's own negligence.

2.7 Further Responsibilities of Parties. Both Parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both Parties agree to act in good faith to execute all instruments, prepare all documents, and take all actions as may be reasonably necessary to carry out the purposes of this Agreement.

3. Compensation.

3.1 Contract Amount. For the Services and Work rendered pursuant to this Agreement, CONTRACTOR shall be compensated by DISTRICT for the services performed, including authorized reimbursements, in accordance with the professional rates and charges set forth in the Proposal (Exhibit “A”). The method of compensation shall be as set forth in Exhibit “A”. Compensation for necessary expenditures for reproduction costs, telephone expenses, and transportation expenses must be approved in advance by the DISTRICT and will only be approved if such expenses are also specified in the Proposal.

3.2 Optional CPI Adjustment. The fees, rates, and/or unit prices set forth in CONTRACTOR’s Proposal (Exhibit “A”) shall remain fixed and unchanged for the first two years of the term of this Agreement (i.e., from _____, 2024 through _____, 2026). Thereafter, CONTRACTOR may submit a request to adjust its fees, rates, and/or unit prices once per year during the remainder of the term of the Agreement as provided for herein. However, approval of any request to adjust CONTRACTOR’s fees, rates, and/or unit prices as set forth herein shall be made at the sole discretion of the DISTRICT’s General Manager, in writing, and is subject to the DISTRICT’s approved budget. Such fee, rate, and/or unit pricing adjustment(s), if any, shall not exceed the value of the change in the Consumer Price Index for the Los Angeles/Orange County area for the preceding one year as published for the month of April of any given year. In no event shall any adjustment of any fee, rate, and/or unit pricing as authorized by this section exceed five percent (5%) per year regardless of CPI or any other cost factors.

3.3 Payment. In any month in which CONTRACTOR wishes to receive payment, no later than the tenth (10th) working day of such month, CONTRACTOR shall submit to DISTRICT, in a form approved by the DISTRICT’s Finance Director, an invoice for services rendered prior to the date of the invoice. Such requests shall be based upon the amount and value of the services performed by CONTRACTOR and accompanied by such reporting data including an itemized breakdown of all costs incurred and tasks performed during the period covered by the invoice, as may be required by the DISTRICT. DISTRICT shall use reasonable efforts to make payments to CONTRACTOR within forty-five (45) days after receipt of the invoice or a soon thereafter as is reasonably practical.

3.4 Changes in Scope. In the event any change or changes in the Scope of Services is requested by DISTRICT and agreed to by CONTRACTOR, the Parties shall execute a written amendment to this Agreement, setting forth with particularity all terms of such amendment, including, but not limited to, any additional fees. An amendment may be entered into: (a) to provide for revisions or modifications to documents or other work product or work when documents or other work product or work is required by the enactment or revision of law subsequent to the preparation of any documents, other work product, or work; and/or (b) to provide

for additional services not included in this Agreement or not customarily furnished in accordance with generally accepted practice in CONTRACTOR's profession.

3.5 Termination. DISTRICT shall have the right to terminate this Agreement, without cause, by giving thirty (30) days written notice of termination. CONTRACTOR shall have the right to terminate this Agreement, without cause, by giving ninety (90) days written notice of termination. If the Agreement is terminated by either party, then the provisions of paragraph 3 would apply to that portion of the work completed.

3.6 Appropriations. This Agreement is subject to and contingent upon funds being appropriated therefore by the Midway DISTRICT Sanitary District Board of Directors for each fiscal year covered by the term of this Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to DISTRICT.

4. Insurance requirements.

4.1 Compliance with Insurance Requirements. CONTRACTOR shall obtain, maintain, and keep in full force and effect during the term of this Agreement, at its sole cost and expense, and in a form and content satisfactory to DISTRICT, all insurance required under this section. CONTRACTOR shall not commence any Work or Services under this Agreement unless and until it has provided evidence satisfactory to DISTRICT that it has secured all insurance required under this section. If CONTRACTOR's existing insurance policies do not meet the insurance requirements set forth herein, CONTRACTOR agrees to amend, supplement or endorse the policies to do so.

4.2 Types of Insurance Required. As a condition precedent to the effectiveness of this Agreement, and without limiting the indemnity provisions set forth in this Agreement, CONTRACTOR shall obtain and maintain in full force and effect during the term of this Agreement, including any extension thereof, the following policies of insurance:

A. **Commercial General Liability Insurance.** CONTRACTOR shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Commercial General Liability Insurance written on an occurrence basis with limits of at least two million dollars (\$2,000,000.00) per occurrence, two million dollars (\$2,000,000.00) in the general aggregate, and two million dollars (\$2,000,000.00) for products and completed operations. Defense costs shall be paid in addition to the limits. The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to the Agreement.

B. **Automobile Liability Insurance.** CONTRACTOR shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Automobile Liability Insurance written on a per occurrence basis with limits of at least one million dollars (\$1,000,000.00) combined limit for each occurrence covering bodily injury and property damage. The policy shall specifically include coverage for owned, non-owned, leased, and hired automobiles.

C. Workers' Compensation Insurance. CONTRACTOR shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Workers' Compensation Insurance in at least the minimum statutory amounts, and in compliance with all other statutory requirements, as required by the State of California. CONTRACTOR agrees to waive and obtain endorsements from its workers' compensation insurer waiving all subrogation rights under its workers' compensation insurance policy against the DISTRICT, its officials, officers, employees, agents and volunteers, and to require each of its subconsultants and subcontractors, if any, to do likewise under their workers' compensation insurance policies. CONTRACTOR shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Employer's Liability Insurance written on a per occurrence basis with limits of at least one million dollars (\$1,000,000.00) per accident for bodily injury or disease.

D. Professional Liability (Errors & Omissions) Insurance. CONTRACTOR shall obtain and maintain in full force and effect throughout the term of this Agreement, a policy of Professional Liability or Errors and Omissions Insurance appropriate to CONTRACTOR's profession with limits of at least two million dollars (\$2,000,000.00). Covered professional services shall specifically include all Work or Services to be performed under the Agreement and delete any exclusions that may potentially affect the Work or Services to be performed under this Agreement. If the policy of insurance is written on a "claims-made" basis, the DISTRICT may require that the policy be continued in full force and effect at all times during the term of this Agreement, and for a period of three (3) years from the date of the completion of the Work or Services provided hereunder. In the event of termination of the policy during this period, CONTRACTOR shall obtain continuing insurance coverage for the prior acts or omissions of CONTRACTOR during the course of performing the Work or Services under the terms of this Agreement. The coverage shall be evidenced by either a new policy evidencing no gap in coverage, or by obtaining separate extended "tail" coverage with the present or new carrier or other insurance arrangements providing for complete coverage, either of which shall be subject to the written approval by the DISTRICT. In the event the policy of insurance is written on an "occurrence" basis, the policy shall be continued in full force and effect during the term of this Agreement, or until completion of the Work or Services provided for in this Agreement, whichever is later. In the event of termination of the policy during this period, new coverage shall immediately be obtained to ensure coverage during the entire course of performing the Work or Services under the terms of this Agreement.

4.3 Acceptability of Insurers. Insurance required by this section shall be issued by a licensed company authorized to transact business in the state by the Department of Insurance for the State of California with a current rating of A-VII or better (if an admitted carrier), or a current rating of A:X or better (if offered by a non-admitted insurer listed on the State of California List of Approved Surplus Lines Insurers (LASLI), by the latest edition of A.M. Best's Key Rating Guide, except that the DISTRICT will accept workers' compensation insurance from the State Compensation Fund. In the event the DISTRICT determines that the Work or Services to be performed under this Agreement creates an increased or decreased risk of loss to the DISTRICT, the CONTRACTOR agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the DISTRICT. CONTRACTOR shall immediately substitute any insurer whose A.M. Best rating drops below the levels specified herein.

4.4 Insurance Endorsements. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the DISTRICT for written approval. Required insurance policies shall contain the following provisions, or CONTRACTOR shall provide endorsements on forms approved by the DISTRICT to add the following provisions to the insurance policies:

A. The policy or policies of insurance required by this section for Commercial General Liability and Automobile Liability Insurance shall be endorsed to provide the following:

1. Additional Insured: The DISTRICT, its officials, officers, employees, agents and volunteers, shall be additional insureds with regard to liability and defense of suits or claims arising out of the performance of the Agreement; and

2. Additional Insured Endorsements: Additional insured endorsements shall not (1) be restricted to “ongoing operations”, (2) exclude “contractual liability”, (3) restrict coverage to “sole” liability of CONTRACTOR, or (4) contain any other exclusions contrary to the Agreement; and, the coverage shall contain no special limitations on the scope of protection afforded to additional insureds.

3. Notice: The policy or policies of insurance required by this section for Commercial General Liability and Automobile Liability Insurance shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or modified, or reduced in coverage or in limits, except after thirty (30) days prior written notice by First Class U.S. Mail, postage-prepaid, has been provided to the DISTRICT. Notwithstanding the foregoing, if coverage is to be suspended, voided, or cancelled because of CONTRACTOR’s failure to pay the insurance premium, the notice provided to DISTRICT shall be by ten (10) days prior written notice.

B. For all policies of Commercial General Liability Insurance, CONTRACTOR shall provide endorsements for ongoing operations and completed operations to effectuate this requirement.

4.5 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be approved in writing by the DISTRICT in advance and shall protect the DISTRICT, its officials, officers, employees, agents and volunteers, in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

4.6 Primary and Non-Contributing Insurance. All policies of Commercial General Liability Insurance and Automobile Liability Insurance shall be primary and any other insurance, deductible, or self-insurance maintained by the DISTRICT, its officials, officers, employees, agents or volunteers, shall not contribute with this primary insurance. Policies shall contain or be endorsed to contain such provisions.

4.7 Waiver of Subrogation. All policies of Commercial General Liability and Automobile Liability Insurance shall contain or be endorsed to waive subrogation against the DISTRICT, its officials, officers, employees, agents and volunteers, or shall specifically allow

CONTRACTOR or others providing insurance evidence in compliance with the requirements set forth in this section to waive their right to recovery prior to a loss. CONTRACTOR hereby agrees to waive its own right of recovery against the DISTRICT, its officials, officers, employees, agents and volunteers, and CONTRACTOR hereby agrees to require similar written express waivers and insurance clauses from each of its subconsultants or subcontractors.

4.8 Evidence of Coverage. Concurrently with the execution of the Agreement, CONTRACTOR shall deliver certificates of insurance together with original endorsements affecting each of the insurance policies required by this section. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the DISTRICT for written approval. The certificates of insurance and original endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the DISTRICT. If such coverage is cancelled or reduced and not replaced immediately so as to avoid a lapse in the required coverage, CONTRACTOR shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the DISTRICT evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. CONTRACTOR shall promptly furnish, at DISTRICT's request, copies of actual policies including all declaration pages, endorsements, exclusions and any other policy documents DISTRICT requires to verify coverage.

4.9 Requirements Not Limiting. Requirement of specific coverage or minimum limits contained in this section are not intended as a limitation on coverage, limits, or other requirements, or a waiver of any coverage normally provided by any insurance. Nothing in this section shall be construed as limiting in any way the indemnification provision contained in this Agreement, or the extent to which CONTRACTOR may be held responsible for payments of damages to persons or property.

4.10 Enforcement of Agreement (Non-Estoppel). CONTRACTOR acknowledges and agrees that actual or alleged failure on the part of the DISTRICT to inform CONTRACTOR of any non-compliance with any of the insurance requirements set forth in this section imposes no additional obligation on the DISTRICT nor does it waive any rights hereunder.

4.11 Insurance for Subcontractors. CONTRACTOR shall either: (1) include all subconsultants or subcontractors engaged in any Work or Services for CONTRACTOR relating to this Agreement as additional named insureds under the CONTRACTOR's insurance policies, or (2) CONTRACTOR shall be responsible for causing its subconsultants or subcontractors to procure and maintain the appropriate insurance in compliance with the terms of the insurance requirements set forth in this section, including adding the DISTRICT, its officials, officers, employees, agents and volunteers, as additional insureds to their respective policies. All policies of Commercial General Liability Insurance provided by CONTRACTOR's subconsultants or subcontractors performing any Work or Services related to this Agreement shall be endorsed to name the DISTRICT, its officials, officers, employees, agents and volunteers, as additional insureds. CONTRACTOR shall not allow any subconsultant or subcontractor to commence any Work or Services relating to this Agreement unless and until it has provided evidence satisfactory

to DISTRICT that the subconsultant or subcontractor has secured all insurance required under this section.

4.12 Other Insurance Requirements. The following terms and conditions shall apply to the insurance policies required of CONTRACTOR pursuant to this Agreement:

A. CONTRACTOR shall provide immediate written notice to DISTRICT if (1) any of the insurance policies required herein are terminated, cancelled or suspended, (2) the limits of any of the insurance coverages required herein are reduced, or (3) the deductible or self-insured retention is increased.

B. All insurance coverage and limits provided by CONTRACTOR and available or applicable to this Agreement are intended to apply to each insured, including additional insureds, against whom a claim is made or suit is brought to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the DISTRICT or its operations shall limit the application of such insurance coverage.

C. None of the insurance coverages required herein will be in compliance with the requirements of this section if they include any limiting endorsement which substantially impairs the coverages set forth herein (e.g., elimination of contractual liability or reduction of discovery period), unless the endorsement has first been submitted to the DISTRICT and approved in writing.

D. Certificates of insurance will not be accepted in lieu of required endorsements, and submittal of certificates without required endorsements may delay commencement of the Project. It is CONTRACTOR's obligation to ensure timely compliance with all insurance submittal requirements as provided herein.

E. CONTRACTOR agrees to ensure that subconsultants and subcontractors, if any, and any other parties involved with the Project who are brought onto or involved in the Project by CONTRACTOR, provide the same minimum insurance coverage required of CONTRACTOR. CONTRACTOR agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. CONTRACTOR agrees that upon request, all agreements with subcontractors and others engaged in the Project will be submitted to the DISTRICT for review.

F. CONTRACTOR agrees to provide immediate written notice to DISTRICT of any claim, demand or loss against CONTRACTOR arising out of the Work or Services performed under this Agreement and for any other claim, demand or loss which may reduce the insurance available to pay claims, demands or losses arising out of this Agreement.

5. Non-Liability of Officials and Employees of the District. No official or employee of DISTRICT shall be personally liable to CONTRACTOR in the event of any default or breach by DISTRICT, or for any amount which may become due to CONTRACTOR.

6. **Conflict of Interest.** No officer or employee of the DISTRICT shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his or her financial interest or the financial interest of any corporation, partnership, or association in which they are, directly or indirectly, interested in violation of any state statute or regulation. CONTRACTOR represents and warrants that it has not paid or given and will not pay or give any third party any money or other consideration in exchange for obtaining this Agreement.

7. **Covenant Against Discrimination.** In connection with its performance under this Agreement, CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, disability, medical condition, religion, color, sex, sexual orientation, age, marital status, ancestry, or national origin. CONTRACTOR shall ensure that applicants are employed, and that employees are treated during their employment, without regard to their race, disability, medical condition, religion, color, sex, sexual orientation, age, marital status, ancestry, or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

8. **Independent Contractor; PERS Eligibility & Indemnification.**

(a) The legal relationship between the Parties is that of an independent contractor, and nothing herein shall be deemed to make CONTRACTOR a DISTRICT employee. During the performance of this Agreement, CONTRACTOR and its officers, employees, and agents shall act in an independent capacity and shall not act as DISTRICT officers or employees. CONTRACTOR will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. The personnel performing the Services under this Agreement on behalf of CONTRACTOR shall at all times be under CONTRACTOR's exclusive direction and control. Neither DISTRICT nor any of its officials, officers, employees, agents or volunteers shall have control over the conduct of CONTRACTOR or any of its officers, employees, or agents, except as set forth in this Agreement. CONTRACTOR, its officers, employees or agents, shall not maintain a permanent office or fixed business location at DISTRICT's offices. DISTRICT shall have no voice in the selection, discharge, supervision, or control of CONTRACTOR's officers, employees, representatives or agents or in fixing their number, compensation, or hours of service. CONTRACTOR shall pay all wages, salaries, and other amounts due its employees in connection with the performance of Services under this Agreement and shall be responsible for all reports and obligations respecting them, including but not limited to social security income tax withholding, unemployment compensation, workers' compensation, and other similar matters. DISTRICT shall not in any way or for any purpose be deemed to be a partner of CONTRACTOR in its business or otherwise a joint venturer or a member of any joint enterprise with CONTRACTOR.

(b) CONTRACTOR shall not incur or have the power to incur any debt, obligation, or liability against DISTRICT, or bind DISTRICT in any manner.

(c) No DISTRICT benefits shall be available to CONTRACTOR, its officers, employees, or agents, in connection with the performance of any Work or Services under this

Agreement. Except for professional fees paid to CONTRACTOR as provided for in this Agreement, DISTRICT shall not pay salaries, wages, or other compensation to CONTRACTOR for the performance of any Work or Services under this Agreement. DISTRICT shall not be liable for compensation or indemnification to CONTRACTOR, its officers, employees, or agents, for injury or sickness arising out of performing any Work or Services hereunder. If for any reason any court or governmental agency determines that the DISTRICT has financial obligations, other than pursuant to Section 3 herein, of any nature relating to salary, taxes, or benefits of CONTRACTOR's officers, employees, representatives, agents, or subconsultants or subcontractors, CONTRACTOR shall defend, indemnify, and hold harmless DISTRICT from and against all such financial obligations.

(d) Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, CONTRACTOR and any of its employees, agents, and subcontractors providing any Work or Services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by DISTRICT, including but not limited to eligibility to enroll in the California Public Employee Retirement System (PERS) as an employee of DISTRICT and entitlement to any contribution to be paid by DISTRICT for employer contribution and/or employee contributions for PERS benefits. In the event that CONTRACTOR or any employee, agent, or subcontractor of CONTRACTOR providing any Work or Services under this Agreement claims or is determined by a court of competent jurisdiction or PERS to be eligible for enrollment in PERS as an employee of the DISTRICT, CONTRACTOR shall indemnify, defend, and hold harmless DISTRICT for the payment of any employee and/or employer contributions for PERS benefits on behalf of CONTRACTOR or its employees, agents or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of the DISTRICT.

9. Notices. All notices shall be personally delivered or mailed to the below listed address, or to such other addresses as may be designated by written notice, and shall be deemed received upon the earlier of (i) the date of delivery to the address of the person to receive such notice if delivered personally or by messenger or overnight courier; or (ii) five (5) business days after the date of posting by the United States Post Office if by mail. These addresses shall be used for delivery of service of process.

(CONTRACTOR) _____
Attn: _____

(DISTRICT) Midway City Sanitary District
Attention: General Manager
14451 Cedarwood Street
Westminster, CA 92863

(WITH COPY TO) Midway City Sanitary District
Attention: General Counsel

14451 Cedarwood Street
Westminster, CA 92863

10. Schedule of Performance.

10.1 Time of Essence. Time is of the essence in the performance of this Agreement. The time for completion of the Services to be performed by CONTRACTOR is an essential condition of this Agreement. CONTRACTOR shall prosecute regularly and diligently the Services according to the agreed upon Schedule of Performance.

10.2 Schedule of Performance. CONTRACTOR shall commence the Services pursuant to this Agreement upon receipt of a written notice to proceed, or on each task order, if applicable, and shall perform all Services within the time period(s) established in the Schedule of Performance set forth in the Proposal (Exhibit "A"), or otherwise mutually agreed upon by the Parties. When requested by CONTRACTOR, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the DISTRICT; however, the DISTRICT shall not be obligated to grant such an extension.

10.3 Force Majeure. The time period(s) specified in the Schedule of Performance for performance of the Services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the CONTRACTOR (financial inability excepted), including, but not limited to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, pandemics, quarantine restrictions, riots, strikes, freight embargoes, wars, and/or acts of any governmental agency, including the DISTRICT, if CONTRACTOR, within ten (10) days of the commencement of such delay, notifies the DISTRICT's General Manager in writing of the causes of the delay. The General Manager shall ascertain the facts and the extent of delay, and extend the time for performing the Services for the period of the enforced delay when and if in the judgment of the General Manager such delay is justified. The General Manager's determination shall be final and conclusive upon the Parties to this Agreement. In no event shall CONTRACTOR be entitled to recover damages against the DISTRICT for any delay in the performance of this Agreement, however caused, CONTRACTOR's sole remedy being extension of the Agreement pursuant to this section.

11. Limitations Upon Subcontracting and Assignment. The experience, knowledge, capability, and reputation of CONTRACTOR, its principals and employees were a substantial inducement for DISTRICT to enter into this Agreement. CONTRACTOR shall not contract with any other entity to perform the services required without written approval of the DISTRICT. This Agreement may not be assigned voluntarily or by operation of law, without the prior written approval of DISTRICT. If CONTRACTOR is permitted to subcontract any part of this Agreement, CONTRACTOR shall be responsible to DISTRICT for the acts and omissions of its subcontractor as it is for persons directly employed. Nothing contained in this Agreement shall create any contractual relationship between any subcontractor and DISTRICT. All persons engaged in the work will be considered employees of CONTRACTOR. DISTRICT will deal directly with and will make all payments to CONTRACTOR.

12. Indemnification. CONTRACTOR agrees to protect, defend, and hold harmless DISTRICT and its elective or appointive boards, officers, agents, and employees from any and all third party claims, liabilities, expenses, or damages of any nature, including attorneys' fees, for

bodily injury or death of any person, or damage to property, or interference with use of property, to the extent caused by negligent acts, errors or omissions or willful misconduct by CONTRACTOR, CONTRACTOR's agents, officers, employees, subcontractors, or independent contractors hired by CONTRACTOR. The exception to CONTRACTOR's responsibility to protect, defend, and hold harmless DISTRICT, is due to the active negligence of DISTRICT, or any of its elective or appointive boards, officers, agents, or employees.

This hold harmless agreement shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by CONTRACTOR.

13. Reports.

(a) Each and every report, draft, work product, map, record and other document, hereinafter collectively referred to as "Report", reproduced, prepared or caused to be prepared by CONTRACTOR pursuant to or in connection with this Agreement, shall be the exclusive property of DISTRICT. CONTRACTOR shall not copyright any Report required by this Agreement and shall execute appropriate documents to assign to District the copyright to Reports created pursuant to this Agreement. Any Report, information and data acquired or required by this Agreement shall become the property of DISTRICT, and all publication rights are reserved to DISTRICT.

(b) All Reports prepared by CONTRACTOR may be used by DISTRICT in execution or implementation of:

- (1) The original Project for which CONTRACTOR was hired;
- (2) Completion of the original Project by others;
- (3) Subsequent additions to the original Project; and/or
- (4) Other DISTRICT projects as appropriate.

(c) No Report, information or other data given to or prepared or assembled by CONTRACTOR pursuant to this Agreement shall be made available to any individual or firm by CONTRACTOR without prior approval by District.

14. Reserved.

15. Waiver. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought. Any waiver by the Parties of any default or breach of any covenant, condition, or term contained in this Agreement, shall not be construed to be a waiver of any subsequent or other default or breach, nor shall failure by the Parties to require exact, full, and complete compliance with any of the covenants, conditions, or terms contained in this Agreement be construed as changing the terms of this Agreement in any manner or preventing the Parties from enforcing the full provisions hereof.

16. **Rights and Remedies Cumulative.** Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

17. **Legal Action.** In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

18. **California Law; Venue.** This Agreement shall be construed in accordance with the laws of the State of California. Any action commenced about this Agreement shall be filed in the central branch of the Orange County Superior Court.

19. **Interpretation.** This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties. The terms of this Agreement are contractual and the result of negotiation between the Parties. Accordingly, any rule of construction of contracts (including, without limitation, California Civil Code Section 1654) that ambiguities are to be construed against the drafting party, shall not be employed in the interpretation of this Agreement. The caption headings of the various sections and paragraphs of this Agreement are for convenience and identification purposes only and shall not be deemed to limit, expand, or define the contents of the respective sections or paragraphs.

20. **Entire Agreement; Modification.** This Agreement constitutes the entire agreement between the parties and supersedes any previous agreements, oral or written. This Agreement may be modified only by subsequent mutual written agreement executed by DISTRICT and CONTRACTOR.

21. **Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be determined to be invalid by a final judgment or decree of a court of competent jurisdiction, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of that provision, or the remaining provisions of this Agreement unless the invalid provision is so material that its invalidity deprives either Party of the basic benefit of their bargain or renders this Agreement meaningless.

22. **Corporate Authority.** Each of the undersigned represents and warrants that (i) the Party for which he/she is executing this Agreement is duly authorized and existing, (ii) he/she is duly authorized to execute and deliver this Agreement on behalf of the Party for which he/she is signing, (iii) by so executing this Agreement, the Party for which he/she is signing is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the Party for which he/she is signing is bound.

23. Counterparts; Facsimile Signatures. This Agreement may be executed in counterparts, all of which shall constitute the same Agreement, notwithstanding that all parties to this Agreement are not signatory to the same counterpart. Signature and acknowledgement pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one (1) original document. These counterparts may be transmitted by facsimile or Portable Document Format (PDF), with the originals to be thereafter provided by the Parties. Such facsimiles or electronic copies shall be deemed original signatures.

IN WITNESS THEREOF, these parties have executed this Agreement as of the date first written above.

“DISTRICT”

“CONTRACTOR”

MIDWAY DISTRICT SANITARY
DISTRICT, a public entity

_____, a

By: _____
Robert Housley
General Manager

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

By: _____

Name: _____

Title: _____

General Counsel
Midway DISTRICT Sanitary District

Tax ID No. _____

If CONTRACTOR is a corporation, a Corporate Resolution and/or Corporate Seal is required. If a partnership, Statement of Partnership must be submitted to District.

**EXHIBIT “A” TO AGREEMENT
CONTRACTOR’S PROPOSAL**

EXHIBIT “B” TO AGREEMENT
SCOPE OF WORK

Midway City Sanitary District

Information Systems Request for Proposal (RFP) Evaluation Matrix

10/24/2024

Measurement Basis on Classic 5-Point Scale:

1 = Unfavorable, 5 = Most Favorable

1. Pricing and Cost (note: vendor's basis was not uniform)

2. Approach and Work Plan

3. Qualifications and Experience

4. Scope of Work

5. References and Related Experience

6. Proximity to Project Site

7. Compliance with Agreement Terms of the RFP and Agreement

8. Education and Training Program for District

9. Description of Firm, Management, and Team Members

Total Score

Total Score Excluding References

	Intelesys	CRC Cloud	Acorn Technology Services	VC3 Aim Higher	DIRBOS INC	LAN WAN Enterprise	Visual Edge IT
	3	3	4	4	3	4	2
	4	3	4	4	3	5	4
	5	3	5	5	3	5	4
	5	2	5	3	2	3	4
	2		5	2		5	2
	4	4	3	3	3	5	3
	4	1	4	3	1	4	4
	3	3	4	3	2	4	4
	5	3	4	5	1	5	4
Total Score	35	22	38	32	18	40	31
Total Score Excluding References	33	22	33	30	18	35	29

Request for Proposal Fee Schedules - Monthly Basis

a. Initial Assessment	2,995		3,950	3,097	9,250	2,500	3,000
b. Monthly Support Fee	3,938	5,409	3,950	3,165	2,500	4,000	2,370
c. Optional Services as contracted (Cyber, Back-Up, SIEM Staffed, Training)	1,937		1,210				3,900
Monthly Fee Summary (assumes monthly maintenance, and optional services as identified)	5,875	5,409	5,160	3,165	2,500	4,000	6,270

Notes:

1. Fee schedules between vendors are not perfectly comparable due to slightly different bases of assumptions.
2. Fees are presented on a monthly basis for comparability.
3. Lan Wan does have a flat rate of \$500 for specific function such as hardware procurement & configuration and a blended rate of \$150/hour for special projects.
4. Acorn Technology has a blended rate of \$165/hour for special projects.
5. Intelesys listed additional optional pricing for specific services priced individually.

PROFESSIONAL SERVICES AGREEMENT

LAN WAN Enterprise, Inc.

(Information Technology Managed Services Provided and Cybersecurity Services)

THIS PROFESSIONAL SERVICES AGREEMENT (hereinafter “Agreement”) is made this 20th day of November, 2024, by the MIDWAY CITY SANITARY DISTRICT, a public entity (hereinafter referred to as “DISTRICT”) and LAN WAN ENTERPRISE, INC., a California corporation, (hereinafter referred to as “CONTRACTOR”). DISTRICT and CONTRACTOR are sometimes hereinafter individually referred to as “Party” and are hereinafter collectively referred to as the “Parties.”

RECITALS

The following recitals are a substantive part of this Agreement:

- A. This Agreement is entered into pursuant to pursuant to Midway City Sanitary District Board authorization dated November 19, 2024.
- B. DISTRICT has determined there is a need to retain the professional services of a qualified company to provide the DISTRICT with a comprehensive assessment of its Information Technology (“IT”) infrastructure and cyber security, to provide Managed Service Provider (MSP) services and cybersecurity protection, and to aid in the formulation of and implementation of an ongoing technology strategic strategy and plan (the “Project”).
- C. In response to DISTRICT’s Request for Proposals, dated August 26, 2024, CONTRACTOR has submitted to DISTRICT a proposal, dated October 1, 2024, to provide DISTRICT with professional services for the Project pursuant to this Agreement (the “Proposal”).
- D. CONTRACTOR represents and maintains that it is uniquely qualified by virtue of its experience, training, education, reputation, and technical expertise to provide professional services to DISTRICT for the Project and has agreed to provide such services as provided herein. DISTRICT does not have the personnel, training, certification, or specialized technical expertise necessary to perform the work and services contracted for herein.
- E. DISTRICT desires to retain CONTRACTOR to provide professional services for the Project.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. Term and Termination. This Agreement shall commence on November 20, 2024, and shall continue through November 19, 2027, with an option to extend the Agreement for up to three (3) additional one (1) year terms at the DISTRICT’s option, unless earlier terminated by DISTRICT. The DISTRICT’s General Manager is authorized to exercise said extension options

on behalf of the DISTRICT. This Agreement may be terminated by DISTRICT without cause upon thirty (30) days written notice, and by CONTRACTOR without cause upon ninety (90) days' notice. In such event, the DISTRICT will compensate CONTRACTOR for work performed to date in accordance with Section 3.5 of this Agreement. CONTRACTOR is required to present evidence to support performed work completion. CONTRACTOR is required to present evidence to support performed work completion.

2. Services to be Provided and Standard of Performance.

2.1 Scope of Services. In compliance with all terms and conditions of this Agreement, CONTRACTOR agrees to provide and perform professional information technology services for the Project as set forth in (a) the Proposal, which is attached hereto as Exhibit "A" and incorporated herein by reference, and (b) the Scope of Work, which is attached hereto as Exhibit "B" and incorporated herein by reference (hereinafter referred to as the "Scope of Services," the "Services" or "Work"). As a material inducement to DISTRICT entering into this Agreement, CONTRACTOR acknowledges and understands that the Services and Work contracted for under this Agreement require specialized skills and abilities and that, consistent with this understanding, CONTRACTOR's Services and Work shall be performed in a skillful and competent manner and shall be held to a standard of quality and workmanship prevalent in the industry for such Services and Work and with the standards recognized as being employed by professionals in the same discipline in the State of California. CONTRACTOR represents and warrants that it is skilled in the professional discipline necessary to perform the Services and Work and that it holds the necessary skills and abilities to satisfy the standard of work as set forth in this Agreement. CONTRACTOR represents and warrants that it and all of its employees, subconsultants and subcontractors providing any Work or Services under this Agreement shall have sufficient skill and experience to perform the Services and Work assigned to them. All Services and Work shall be completed to the reasonable satisfaction of DISTRICT. The Proposal, the Request for Proposals, and this Agreement do not guarantee any specific amount of work.

2.2 Contract Documents. The Agreement between the Parties shall consist of the following: (1) this Agreement; and (2) the Scope of Work; and (3) CONTRACTOR's Proposal, which shall all be referred to collectively hereinafter as the "Contract Documents." The Scope of Work is attached hereto as Exhibit "A" and is hereby incorporated herein by reference and made a part of this Agreement. The CONTRACTOR's Proposal is attached hereto as Exhibit "B" and is hereby incorporated by reference and made a part of this Agreement. All provisions of the Contract Documents shall be binding on the Parties. Should any conflict or inconsistency exist in the Contract Documents, the conflict or inconsistency shall be resolved by applying the provisions in the highest priority document, which shall be determined in the following order of priority: (1st) the terms and conditions of this Agreement; and, (2nd) the provisions of the Scope of Work (Exhibit "A"); and (3rd) the provisions of the CONTRACTOR's Proposal (Exhibit "B").

2.3 Compliance with Law. CONTRACTOR shall comply at all times during the term of this Agreement with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government, including without limitation all applicable fair labor standards and Cal/OSHA requirements. CONTRACTOR shall keep itself fully informed of and in compliance with all local, state, and federal laws, rules, and regulations in any manner affecting the

performance of the Work and Services, including all Cal/OSHA requirements, and shall give all notices required by law. CONTRACTOR shall be liable for all violations of such laws and regulations in connection with performing the Work and Services. If CONTRACTOR performs any Work or Services in violation of such laws, rules, and regulations, CONTRACTOR shall be solely responsible for all penalties and costs arising therefrom. CONTRACTOR shall defend, indemnify, and hold DISTRICT, its officials, officers, employees, agents and volunteers, free and harmless from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules, or regulations.

2.4 Licenses, Permits, and Fees. Prior to performing any Services or Work hereunder CONTRACTOR shall obtain all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession and perform the Work and Services required by this Agreement. CONTRACTOR represents and warrants to DISTRICT that CONTRACTOR shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement and any extension, any license, permit, qualification, or approval that is legally required for CONTRACTOR to perform the Work and Services under this Agreement. CONTRACTOR shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the CONTRACTOR's performance of the Work and Services required by this Agreement, and shall defend, indemnify, and hold DISTRICT, its officials, officers, employees, agents and volunteers, free and harmless from and against any claim or liability arising out of any failure or alleged failure to obtain such license, permits, and approvals of whatever nature that are legally required to perform the Work or Services.

2.5 Familiarity with Work. By executing this Agreement, CONTRACTOR warrants that: (a) it has thoroughly investigated and considered the Scope of Work or Services to be performed; (b) it has carefully considered how the Services should be performed and has carefully examined the location or locations at or with respect to where such Services or Work is to be performed and is aware of all conditions there; and (c) it understands the facilities, difficulties, and restrictions of attending performance of the Services under this Agreement. If the Services involve work upon any site, CONTRACTOR represents and maintains that CONTRACTOR has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of any Services hereunder. Should CONTRACTOR discover any latent or unknown conditions materially differing from those inherent in the Work or as represented by DISTRICT, it shall immediately inform DISTRICT of this and shall not proceed, except at CONTRACTOR's risk, until written instructions are received from DISTRICT.

2.6 Care of Work. CONTRACTOR shall adopt reasonable methods during the term of the Agreement to furnish continuous protection to the Work and the equipment, materials, papers, documents, plans, studies, and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the Work by DISTRICT, except such losses or damages as may be caused by DISTRICT's own negligence.

2.7 Further Responsibilities of Parties. Both Parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both Parties agree to act

in good faith to execute all instruments, prepare all documents, and take all actions as may be reasonably necessary to carry out the purposes of this Agreement.

3. Compensation.

3.1 Contract Amount. For the Services and Work rendered pursuant to this Agreement, CONTRACTOR shall be compensated by DISTRICT for the services performed, including authorized reimbursements, in accordance with the professional rates and charges set forth in the Proposal (Exhibit “B”). The method of compensation shall be as set forth in Exhibit “B”. Compensation for necessary expenditures for reproduction costs, telephone expenses, and transportation expenses must be approved in advance by the DISTRICT and will only be approved if such expenses are also specified in the Proposal.

3.2 Optional CPI Adjustment. The fees, rates, and/or unit prices set forth in CONTRACTOR’s Proposal (Exhibit “B”) shall remain fixed and unchanged for the first two years of the term of this Agreement (i.e., from November 20, 2024 through November 19, 2026). Thereafter, CONTRACTOR may submit a request to adjust its fees, rates, and/or unit prices once per year during the remainder of the term of the Agreement as provided for herein. However, approval of any request to adjust CONTRACTOR’s fees, rates, and/or unit prices as set forth herein shall be made at the sole discretion of the DISTRICT’s General Manager, in writing, and is subject to the DISTRICT’s approved budget. Such fee, rate, and/or unit pricing adjustment(s), if any, shall not exceed the value of the change in the Consumer Price Index for the Los Angeles/Orange County area for the preceding one year as published for the month of April of any given year. In no event shall any adjustment of any fee, rate, and/or unit pricing as authorized by this section exceed five percent (5%) per year regardless of CPI or any other cost factors.

3.3 Payment. In any month in which CONTRACTOR wishes to receive payment, no later than the tenth (10th) working day of such month, CONTRACTOR shall submit to DISTRICT, in a form approved by the DISTRICT’s Finance Director, an invoice for services rendered prior to the date of the invoice. Such requests shall be based upon the amount and value of the services performed by CONTRACTOR and accompanied by such reporting data including an itemized breakdown of all costs incurred and tasks performed during the period covered by the invoice, as may be required by the DISTRICT. DISTRICT shall use reasonable efforts to make payments to CONTRACTOR within forty-five (45) days after receipt of the invoice or a soon thereafter as is reasonably practical.

3.4 Changes in Scope. In the event any change or changes in the Scope of Services is requested by DISTRICT and agreed to by CONTRACTOR, the Parties shall execute a written amendment to this Agreement, setting forth with particularity all terms of such amendment, including, but not limited to, any additional fees. An amendment may be entered into: (a) to provide for revisions or modifications to documents or other work product or work when documents or other work product or work is required by the enactment or revision of law subsequent to the preparation of any documents, other work product, or work; and/or (b) to provide for additional services not included in this Agreement or not customarily furnished in accordance with generally accepted practice in CONTRACTOR’s profession.

3.5 Termination. DISTRICT shall have the right to terminate this Agreement, without cause, by giving thirty (30) days written notice of termination. CONTRACTOR shall have the right to terminate this Agreement, without cause, by giving ninety (90) days written notice of termination. If the Agreement is terminated by either party, then the provisions of paragraph 3 would apply to that portion of the work completed.

3.6 Appropriations. This Agreement is subject to and contingent upon funds being appropriated therefore by the Midway DISTRICT Sanitary District Board of Directors for each fiscal year covered by the term of this Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to DISTRICT.

4. Insurance requirements.

4.1 Compliance with Insurance Requirements. CONTRACTOR shall obtain, maintain, and keep in full force and effect during the term of this Agreement, at its sole cost and expense, and in a form and content satisfactory to DISTRICT, all insurance required under this section. CONTRACTOR shall not commence any Work or Services under this Agreement unless and until it has provided evidence satisfactory to DISTRICT that it has secured all insurance required under this section. If CONTRACTOR's existing insurance policies do not meet the insurance requirements set forth herein, CONTRACTOR agrees to amend, supplement or endorse the policies to do so.

4.2 Types of Insurance Required. As a condition precedent to the effectiveness of this Agreement, and without limiting the indemnity provisions set forth in this Agreement, CONTRACTOR shall obtain and maintain in full force and effect during the term of this Agreement, including any extension thereof, the following policies of insurance:

A. **Commercial General Liability Insurance.** CONTRACTOR shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Commercial General Liability Insurance written on an occurrence basis with limits of at least two million dollars (\$2,000,000.00) per occurrence, two million dollars (\$2,000,000.00) in the general aggregate, and two million dollars (\$2,000,000.00) for products and completed operations. Defense costs shall be paid in addition to the limits. The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to the Agreement.

B. **Automobile Liability Insurance.** CONTRACTOR shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Automobile Liability Insurance written on a per occurrence basis with limits of at least one million dollars (\$1,000,000.00) combined limit for each occurrence covering bodily injury and property damage. The policy shall specifically include coverage for owned, non-owned, leased, and hired automobiles.

C. **Workers' Compensation Insurance.** CONTRACTOR shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Workers' Compensation Insurance in at least the minimum statutory amounts, and in compliance with all other statutory requirements, as required by the State of California. CONTRACTOR agrees to

waive and obtain endorsements from its workers' compensation insurer waiving all subrogation rights under its workers' compensation insurance policy against the DISTRICT, its officials, officers, employees, agents and volunteers, and to require each of its subconsultants and subcontractors, if any, to do likewise under their workers' compensation insurance policies. CONTRACTOR shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Employer's Liability Insurance written on a per occurrence basis with limits of at least one million dollars (\$1,000,000.00) per accident for bodily injury or disease.

D. Professional Liability (Errors & Omissions) Insurance. CONTRACTOR shall obtain and maintain in full force and effect throughout the term of this Agreement, a policy of Professional Liability or Errors and Omissions Insurance appropriate to CONTRACTOR's profession with limits of at least two million dollars (\$2,000,000.00). Covered professional services shall specifically include all Work or Services to be performed under the Agreement and delete any exclusions that may potentially affect the Work or Services to be performed under this Agreement. If the policy of insurance is written on a "claims-made" basis, the DISTRICT may require that the policy be continued in full force and effect at all times during the term of this Agreement, and for a period of three (3) years from the date of the completion of the Work or Services provided hereunder. In the event of termination of the policy during this period, CONTRACTOR shall obtain continuing insurance coverage for the prior acts or omissions of CONTRACTOR during the course of performing the Work or Services under the terms of this Agreement. The coverage shall be evidenced by either a new policy evidencing no gap in coverage, or by obtaining separate extended "tail" coverage with the present or new carrier or other insurance arrangements providing for complete coverage, either of which shall be subject to the written approval by the DISTRICT. In the event the policy of insurance is written on an "occurrence" basis, the policy shall be continued in full force and effect during the term of this Agreement, or until completion of the Work or Services provided for in this Agreement, whichever is later. In the event of termination of the policy during this period, new coverage shall immediately be obtained to ensure coverage during the entire course of performing the Work or Services under the terms of this Agreement.

4.3 Acceptability of Insurers. Insurance required by this section shall be issued by a licensed company authorized to transact business in the state by the Department of Insurance for the State of California with a current rating of A-:VII or better (if an admitted carrier), or a current rating of A:X or better (if offered by a non-admitted insurer listed on the State of California List of Approved Surplus Lines Insurers (LASLI), by the latest edition of A.M. Best's Key Rating Guide, except that the DISTRICT will accept workers' compensation insurance from the State Compensation Fund. In the event the DISTRICT determines that the Work or Services to be performed under this Agreement creates an increased or decreased risk of loss to the DISTRICT, the CONTRACTOR agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the DISTRICT. CONTRACTOR shall immediately substitute any insurer whose A.M. Best rating drops below the levels specified herein.

4.4 Insurance Endorsements. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the DISTRICT for written approval. Required insurance policies shall contain the following provisions, or

CONTRACTOR shall provide endorsements on forms approved by the DISTRICT to add the following provisions to the insurance policies:

A. The policy or policies of insurance required by this section for Commercial General Liability and Automobile Liability Insurance shall be endorsed to provide the following:

1. Additional Insured: The DISTRICT, its officials, officers, employees, agents and volunteers, shall be additional insureds with regard to liability and defense of suits or claims arising out of the performance of the Agreement; and

2. Additional Insured Endorsements: Additional insured endorsements shall not (1) be restricted to “ongoing operations”, (2) exclude “contractual liability”, (3) restrict coverage to “sole” liability of CONTRACTOR, or (4) contain any other exclusions contrary to the Agreement; and, the coverage shall contain no special limitations on the scope of protection afforded to additional insureds.

3. Notice: The policy or policies of insurance required by this section for Commercial General Liability and Automobile Liability Insurance shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or modified, or reduced in coverage or in limits, except after thirty (30) days prior written notice by First Class U.S. Mail, postage-prepaid, has been provided to the DISTRICT. Notwithstanding the foregoing, if coverage is to be suspended, voided, or cancelled because of CONTRACTOR’s failure to pay the insurance premium, the notice provided to DISTRICT shall be by ten (10) days prior written notice.

B. For all policies of Commercial General Liability Insurance, CONTRACTOR shall provide endorsements for ongoing operations and completed operations to effectuate this requirement.

4.5 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be approved in writing by the DISTRICT in advance and shall protect the DISTRICT, its officials, officers, employees, agents and volunteers, in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

4.6 Primary and Non-Contributing Insurance. All policies of Commercial General Liability Insurance and Automobile Liability Insurance shall be primary and any other insurance, deductible, or self-insurance maintained by the DISTRICT, its officials, officers, employees, agents or volunteers, shall not contribute with this primary insurance. Policies shall contain or be endorsed to contain such provisions.

4.7 Waiver of Subrogation. All policies of Commercial General Liability and Automobile Liability Insurance shall contain or be endorsed to waive subrogation against the DISTRICT, its officials, officers, employees, agents and volunteers, or shall specifically allow CONTRACTOR or others providing insurance evidence in compliance with the requirements set forth in this section to waive their right to recovery prior to a loss. CONTRACTOR hereby agrees to waive its own right of recovery against the DISTRICT, its officials, officers, employees, agents

and volunteers, and CONTRACTOR hereby agrees to require similar written express waivers and insurance clauses from each of its subconsultants or subcontractors.

4.8 Evidence of Coverage. Concurrently with the execution of the Agreement, CONTRACTOR shall deliver certificates of insurance together with original endorsements affecting each of the insurance policies required by this section. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the DISTRICT for written approval. The certificates of insurance and original endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the DISTRICT. If such coverage is cancelled or reduced and not replaced immediately so as to avoid a lapse in the required coverage, CONTRACTOR shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the DISTRICT evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. CONTRACTOR shall promptly furnish, at DISTRICT's request, copies of actual policies including all declaration pages, endorsements, exclusions and any other policy documents DISTRICT requires to verify coverage.

4.9 Requirements Not Limiting. Requirement of specific coverage or minimum limits contained in this section are not intended as a limitation on coverage, limits, or other requirements, or a waiver of any coverage normally provided by any insurance. Nothing in this section shall be construed as limiting in any way the indemnification provision contained in this Agreement, or the extent to which CONTRACTOR may be held responsible for payments of damages to persons or property.

4.10 Enforcement of Agreement (Non-Estoppel). CONTRACTOR acknowledges and agrees that actual or alleged failure on the part of the DISTRICT to inform CONTRACTOR of any non-compliance with any of the insurance requirements set forth in this section imposes no additional obligation on the DISTRICT nor does it waive any rights hereunder.

4.11 Insurance for Subcontractors. CONTRACTOR shall either: (1) include all subconsultants or subcontractors engaged in any Work or Services for CONTRACTOR relating to this Agreement as additional named insureds under the CONTRACTOR's insurance policies, or (2) CONTRACTOR shall be responsible for causing its subconsultants or subcontractors to procure and maintain the appropriate insurance in compliance with the terms of the insurance requirements set forth in this section, including adding the DISTRICT, its officials, officers, employees, agents and volunteers, as additional insureds to their respective policies. All policies of Commercial General Liability Insurance provided by CONTRACTOR's subconsultants or subcontractors performing any Work or Services related to this Agreement shall be endorsed to name the DISTRICT, its officials, officers, employees, agents and volunteers, as additional insureds. CONTRACTOR shall not allow any subconsultant or subcontractor to commence any Work or Services relating to this Agreement unless and until it has provided evidence satisfactory to DISTRICT that the subconsultant or subcontractor has secured all insurance required under this section.

4.12 Other Insurance Requirements. The following terms and conditions shall apply to the insurance policies required of CONTRACTOR pursuant to this Agreement:

A. CONTRACTOR shall provide immediate written notice to DISTRICT if (1) any of the insurance policies required herein are terminated, cancelled or suspended, (2) the limits of any of the insurance coverages required herein are reduced, or (3) the deductible or self-insured retention is increased.

B. All insurance coverage and limits provided by CONTRACTOR and available or applicable to this Agreement are intended to apply to each insured, including additional insureds, against whom a claim is made or suit is brought to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the DISTRICT or its operations shall limit the application of such insurance coverage.

C. None of the insurance coverages required herein will be in compliance with the requirements of this section if they include any limiting endorsement which substantially impairs the coverages set forth herein (e.g., elimination of contractual liability or reduction of discovery period), unless the endorsement has first been submitted to the DISTRICT and approved in writing.

D. Certificates of insurance will not be accepted in lieu of required endorsements, and submittal of certificates without required endorsements may delay commencement of the Project. It is CONTRACTOR's obligation to ensure timely compliance with all insurance submittal requirements as provided herein.

E. CONTRACTOR agrees to ensure that subconsultants and subcontractors, if any, and any other parties involved with the Project who are brought onto or involved in the Project by CONTRACTOR, provide the same minimum insurance coverage required of CONTRACTOR. CONTRACTOR agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. CONTRACTOR agrees that upon request, all agreements with subcontractors and others engaged in the Project will be submitted to the DISTRICT for review.

F. CONTRACTOR agrees to provide immediate written notice to DISTRICT of any claim, demand or loss against CONTRACTOR arising out of the Work or Services performed under this Agreement and for any other claim, demand or loss which may reduce the insurance available to pay claims, demands or losses arising out of this Agreement.

5. Non-Liability of Officials and Employees of the District. No official or employee of DISTRICT shall be personally liable to CONTRACTOR in the event of any default or breach by DISTRICT, or for any amount which may become due to CONTRACTOR.

6. Conflict of Interest. No officer or employee of the DISTRICT shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his or her financial interest or the financial interest of any corporation, partnership, or association in which they are, directly or indirectly,

interested in violation of any state statute or regulation. CONTRACTOR represents and warrants that it has not paid or given and will not pay or give any third party any money or other consideration in exchange for obtaining this Agreement.

7. **Covenant Against Discrimination.** In connection with its performance under this Agreement, CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, disability, medical condition, religion, color, sex, sexual orientation, age, marital status, ancestry, or national origin. CONTRACTOR shall ensure that applicants are employed, and that employees are treated during their employment, without regard to their race, disability, medical condition, religion, color, sex, sexual orientation, age, marital status, ancestry, or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

8. **Independent Contractor; PERS Eligibility & Indemnification.**

(a) The legal relationship between the Parties is that of an independent contractor, and nothing herein shall be deemed to make CONTRACTOR a DISTRICT employee. During the performance of this Agreement, CONTRACTOR and its officers, employees, and agents shall act in an independent capacity and shall not act as DISTRICT officers or employees. CONTRACTOR will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. The personnel performing the Services under this Agreement on behalf of CONTRACTOR shall at all times be under CONTRACTOR's exclusive direction and control. Neither DISTRICT nor any of its officials, officers, employees, agents or volunteers shall have control over the conduct of CONTRACTOR or any of its officers, employees, or agents, except as set forth in this Agreement. CONTRACTOR, its officers, employees or agents, shall not maintain a permanent office or fixed business location at DISTRICT's offices. DISTRICT shall have no voice in the selection, discharge, supervision, or control of CONTRACTOR's officers, employees, representatives or agents or in fixing their number, compensation, or hours of service. CONTRACTOR shall pay all wages, salaries, and other amounts due its employees in connection with the performance of Services under this Agreement and shall be responsible for all reports and obligations respecting them, including but not limited to social security income tax withholding, unemployment compensation, workers' compensation, and other similar matters. DISTRICT shall not in any way or for any purpose be deemed to be a partner of CONTRACTOR in its business or otherwise a joint venturer or a member of any joint enterprise with CONTRACTOR.

(b) CONTRACTOR shall not incur or have the power to incur any debt, obligation, or liability against DISTRICT, or bind DISTRICT in any manner.

(c) No DISTRICT benefits shall be available to CONTRACTOR, its officers, employees, or agents, in connection with the performance of any Work or Services under this Agreement. Except for professional fees paid to CONTRACTOR as provided for in this Agreement, DISTRICT shall not pay salaries, wages, or other compensation to CONTRACTOR for the performance of any Work or Services under this Agreement. DISTRICT shall not be liable for compensation or indemnification to CONTRACTOR, its officers, employees, or agents, for

injury or sickness arising out of performing any Work or Services hereunder. If for any reason any court or governmental agency determines that the DISTRICT has financial obligations, other than pursuant to Section 3 herein, of any nature relating to salary, taxes, or benefits of CONTRACTOR's officers, employees, representatives, agents, or subconsultants or subcontractors, CONTRACTOR shall defend, indemnify, and hold harmless DISTRICT from and against all such financial obligations.

(d) Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, CONTRACTOR and any of its employees, agents, and subcontractors providing any Work or Services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by DISTRICT, including but not limited to eligibility to enroll in the California Public Employee Retirement System (PERS) as an employee of DISTRICT and entitlement to any contribution to be paid by DISTRICT for employer contribution and/or employee contributions for PERS benefits. In the event that CONTRACTOR or any employee, agent, or subcontractor of CONTRACTOR providing any Work or Services under this Agreement claims or is determined by a court of competent jurisdiction or PERS to be eligible for enrollment in PERS as an employee of the DISTRICT, CONTRACTOR shall indemnify, defend, and hold harmless DISTRICT for the payment of any employee and/or employer contributions for PERS benefits on behalf of CONTRACTOR or its employees, agents or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of the DISTRICT.

9. **Notices.** All notices shall be personally delivered or mailed to the below listed address, or to such other addresses as may be designated by written notice, and shall be deemed received upon the earlier of (i) the date of delivery to the address of the person to receive such notice if delivered personally or by messenger or overnight courier; or (ii) five (5) business days after the date of posting by the United States Post Office if by mail. These addresses shall be used for delivery of service of process.

(CONTRACTOR) LAN WAN Enterprise, Inc.
Attn: Rami Dababneh, Executive Vice President
17500 Red Hill Avenue, Ste. 120
Irvine, CA 92614

(DISTRICT) Midway City Sanitary District
Attention: General Manager
14451 Cedarwood Street
Westminster, CA 92863

(WITH COPY TO) Midway City Sanitary District
Attention: General Counsel
14451 Cedarwood Street
Westminster, CA 92863

10. Schedule of Performance.

10.1 Time of Essence. Time is of the essence in the performance of this Agreement. The time for completion of the Services to be performed by CONTRACTOR is an essential condition of this Agreement. CONTRACTOR shall prosecute regularly and diligently the Services according to the agreed upon Schedule of Performance.

10.2 Schedule of Performance. CONTRACTOR shall commence the Services pursuant to this Agreement upon receipt of a written notice to proceed, or on each task order, if applicable, and shall perform all Services within the time period(s) established in the Schedule of Performance set forth in the Proposal (Exhibit "B"), or otherwise mutually agreed upon by the Parties. When requested by CONTRACTOR, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the DISTRICT; however, the DISTRICT shall not be obligated to grant such an extension.

10.3 Force Majeure. The time period(s) specified in the Schedule of Performance for performance of the Services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the CONTRACTOR (financial inability excepted), including, but not limited to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, pandemics, quarantine restrictions, riots, strikes, freight embargoes, wars, and/or acts of any governmental agency, including the DISTRICT, if CONTRACTOR, within ten (10) days of the commencement of such delay, notifies the DISTRICT's General Manager in writing of the causes of the delay. The General Manager shall ascertain the facts and the extent of delay, and extend the time for performing the Services for the period of the enforced delay when and if in the judgment of the General Manager such delay is justified. The General Manager's determination shall be final and conclusive upon the Parties to this Agreement. In no event shall CONTRACTOR be entitled to recover damages against the DISTRICT for any delay in the performance of this Agreement, however caused, CONTRACTOR's sole remedy being extension of the Agreement pursuant to this section.

11. Limitations Upon Subcontracting and Assignment. The experience, knowledge, capability, and reputation of CONTRACTOR, its principals and employees were a substantial inducement for DISTRICT to enter into this Agreement. CONTRACTOR shall not contract with any other entity to perform the services required without written approval of the DISTRICT. This Agreement may not be assigned voluntarily or by operation of law, without the prior written approval of DISTRICT. If CONTRACTOR is permitted to subcontract any part of this Agreement, CONTRACTOR shall be responsible to DISTRICT for the acts and omissions of its subcontractor as it is for persons directly employed. Nothing contained in this Agreement shall create any contractual relationship between any subcontractor and DISTRICT. All persons engaged in the work will be considered employees of CONTRACTOR. DISTRICT will deal directly with and will make all payments to CONTRACTOR.

12. Indemnification. CONTRACTOR agrees to protect, defend, and hold harmless DISTRICT and its elective or appointive boards, officers, agents, and employees from any and all third party claims, liabilities, expenses, or damages of any nature, including attorneys' fees, for

bodily injury or death of any person, or damage to property, or interference with use of property, to the extent caused by negligent acts, errors or omissions or willful misconduct by CONTRACTOR, CONTRACTOR's agents, officers, employees, subcontractors, or independent contractors hired by CONTRACTOR. The exception to CONTRACTOR's responsibility to protect, defend, and hold harmless DISTRICT, is due to the active negligence of DISTRICT, or any of its elective or appointive boards, officers, agents, or employees.

This hold harmless agreement shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by CONTRACTOR.

13. Reports.

(a) Each and every report, draft, work product, map, record and other document, hereinafter collectively referred to as "Report", reproduced, prepared or caused to be prepared by CONTRACTOR pursuant to or in connection with this Agreement, shall be the exclusive property of DISTRICT. CONTRACTOR shall not copyright any Report required by this Agreement and shall execute appropriate documents to assign to District the copyright to Reports created pursuant to this Agreement. Any Report, information and data acquired or required by this Agreement shall become the property of DISTRICT, and all publication rights are reserved to DISTRICT.

(b) All Reports prepared by CONTRACTOR may be used by DISTRICT in execution or implementation of:

- (1) The original Project for which CONTRACTOR was hired;
- (2) Completion of the original Project by others;
- (3) Subsequent additions to the original Project; and/or
- (4) Other DISTRICT projects as appropriate.

(c) No Report, information or other data given to or prepared or assembled by CONTRACTOR pursuant to this Agreement shall be made available to any individual or firm by CONTRACTOR without prior approval by District.

14. Reserved.

15. Waiver. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought. Any waiver by the Parties of any default or breach of any covenant, condition, or term contained in this Agreement, shall not be construed to be a waiver of any subsequent or other default or breach, nor shall failure by the Parties to require exact, full, and complete compliance with any of the covenants, conditions, or terms contained in this Agreement be construed as changing the terms of this Agreement in any manner or preventing the Parties from enforcing the full provisions hereof.

16. **Rights and Remedies Cumulative.** Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

17. **Legal Action.** In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

18. **California Law; Venue.** This Agreement shall be construed in accordance with the laws of the State of California. Any action commenced about this Agreement shall be filed in the central branch of the Orange County Superior Court.

19. **Interpretation.** This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties. The terms of this Agreement are contractual and the result of negotiation between the Parties. Accordingly, any rule of construction of contracts (including, without limitation, California Civil Code Section 1654) that ambiguities are to be construed against the drafting party, shall not be employed in the interpretation of this Agreement. The caption headings of the various sections and paragraphs of this Agreement are for convenience and identification purposes only and shall not be deemed to limit, expand, or define the contents of the respective sections or paragraphs.

20. **Entire Agreement; Modification.** This Agreement constitutes the entire agreement between the parties and supersedes any previous agreements, oral or written. This Agreement may be modified only by subsequent mutual written agreement executed by DISTRICT and CONTRACTOR.

21. **Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be determined to be invalid by a final judgment or decree of a court of competent jurisdiction, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of that provision, or the remaining provisions of this Agreement unless the invalid provision is so material that its invalidity deprives either Party of the basic benefit of their bargain or renders this Agreement meaningless.

22. **Administration.** This Agreement shall be administered and executed by the DISTRICT's General Manager, following approval of this Agreement by the DISTRICT. The DISTRICT shall maintain authority of this Agreement through the General Manager (or his/her authorized representative). The General Manager shall have the authority but not the obligation to (i) issue interpretations, (ii) waive provisions, (iii) extend time limits, (iv) enter into amendments to this Agreement that do not result in costs to the DISTRICT that exceed amounts appropriated by the DISTRICT's Board of Directors for applicable purposes, and (v) to take any action or make any approval to be undertaken by the DISTRICT pursuant to this Agreement, unless specifically provided otherwise or the context should require otherwise.

23. Corporate Authority. Each of the undersigned represents and warrants that (i) the Party for which he/she is executing this Agreement is duly authorized and existing, (ii) he/she is duly authorized to execute and deliver this Agreement on behalf of the Party for which he/she is signing, (iii) by so executing this Agreement, the Party for which he/she is signing is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the Party for which he/she is signing is bound.

24. Counterparts; Facsimile Signatures. This Agreement may be executed in counterparts, all of which shall constitute the same Agreement, notwithstanding that all parties to this Agreement are not signatory to the same counterpart. Signature and acknowledgement pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one (1) original document. These counterparts may be transmitted by facsimile or Portable Document Format (PDF), with the originals to be thereafter provided by the Parties. Such facsimiles or electronic copies shall be deemed original signatures.

IN WITNESS THEREOF, these parties have executed this Agreement as of the date first written above.

“DISTRICT”

“CONTRACTOR”

MIDWAY DISTRICT SANITARY DISTRICT, a public entity

LAN WAN ENTERPRISE, INC., a California corporation

By: _____
Robert Housley
General Manager

By: _____
Name: _____

Title: _____

APPROVED AS TO FORM:

By: _____

General Counsel
Midway DISTRICT Sanitary District

Name: _____

Title: _____

Tax ID No. _____

If CONTRACTOR is a corporation, a Corporate Resolution and/or Corporate Seal is required. If a partnership, Statement of Partnership must be submitted to District.

EXHIBIT "A" TO AGREEMENT
SCOPE OF WORK

EXHIBIT A - SCOPE OF WORK

The scope of work, as may be modified through negotiation and/or by written addendum issued by Midway City Sanitary District, will be included in the Agreement. Under the direction of the General Manager, the Contractor will be expected to perform all services described in the Scope of Services via remote access, telephone, and onsite support jointly agreed upon by District and Contractor.

The Contractor shall provide a dedicated on-site support person for approximately 4 hours per week during normal office business hours for the first two months of transition to a new Contractor, for the purpose of providing support and assure a smooth and successful transition from one firm to another.

- A. Initial Assessment:** The initial assessment will consist of the following but is not limited to:
- a. Review of inventory and assessment of system infrastructure and equipment, cybersecurity measures, software, and assets to determine protections, efficiency, life expectancy, speed, age, and efficacy of current processes.
 - b. Provide recommendations for improving routine maintenance to eliminate emergency maintenance situations, including cloud hosted services, intrusion testing to assess cybersecurity measures and protections.
 - c. A report of the initial assessment shall be submitted within sixty (60) days of the signed agreement and will be updated annually or as needed throughout the duration of the contract.
- B. Cybersecurity Management:** Includes comprehensive security solutions, including firewall management, IPS/IDS, VPN, antivirus, spam protection, and web filtering, along with advanced services such as real-time security monitoring through SIEM and 24/7 threat detection and response via SOC, ensuring robust protection against evolving cyber threats. Managing risks, and incident response. Employee training and intrusion testing.
- C. Infrastructure Maintenance and Management:** Includes local 24/7 monitoring and support for servers, storage, LAN/WAN, virtualization platforms, and IP telephony, ensuring maximum uptime and reliability.
- D. Disaster Recovery Management:** Includes comprehensive disaster recovery solutions, including backup management and offsite server replication to ensure data protection and swift recovery.
- E. End Point Management:** Full support for PCs, laptops, tablets, and smartphones, ensuring all devices are secure and fully operational.

- F. Software as a Service Management:** Management of cloud-based and desktop applications including but not limited to Microsoft 365, Azure, Adobe, and RingCentral, ensuring smooth integration and operation.
- G. Licensing Management:** Comprehensive management of software licenses, including but not limited to renewals and compliance for firewalls, antivirus, Microsoft 365, and more.
- H. Domain Management:** Manage domain renewals and DNS configuration to ensure a secure and uninterrupted online presence. Monitor domain status to prevent unauthorized changes or interruptions.
- I. Long-Term Planning:** Capacity planning, IT governance, and emerging technology research to align IT investments with District goals, including IT budget development and risk management for long-term success.
- J. Team Meetings:** Consistent and frequent communication to discuss any relevant topics or concerns is vital to the success of this partnership and protection of the District's operations, its data, and information. Team meetings provide for an informed and successful IT team. The team will consist of but not limited to District staff, the Contractor, and any other third-party partners necessary for the operations and security of the District. The Contractor and District personnel shall meet in person, on site, at least twice a year or as determined by the District.
- K. Equipment:** Historically, the Contractor has purchased new equipment based on Consultant recommendations. However, this contract does not obligate the District to purchase computer equipment, hardware devices, peripherals, cabling, licenses, software, etc., from the Contractor. The District retains the right to select and purchase any and/or all equipment itself.
- L. Infrastructure Maintenance and Management:** Ensuring consistent performance, maximizing uptime, and minimizing system failures largely depend on applying due diligence in performing routine maintenance and management tasks. These tasks include but are not limited to:
- a. Management of networks and computer systems, including complex applications, databases, communication systems, servers, external security camera system, and associated hardware, software, and operating systems necessary for system performance, security, reliability, and recoverability.
 - b. Reviewing all process logs for normal execution and performance.
 - c. Monitoring and reporting the status of servers, and networks.
 - d. Conducting preventative maintenance, software updates and patch management.

- e. Timely responses to repair, maintenance, and user support requests.
- f. Maintaining records of both on-site and "help-desk" support service tickets.
- g. Performing backups, backup rotations, and restoration of all systems, servers, networks, and equipment.
- h. Developing and maintaining procedural documentation for active servers, including comprehensive inventory (hardware, software, applications, and licensing), product manuals, baseline settings, scripts, a network map, and action logs.
- i. Configuration management, including changes, patches, etc., on a weekly basis.
- j. Support of software related to servers, workstations, laptops, tablets, and other network equipment.
- k. New equipment, software, and existing data will be installed and transferred as requested.
- l. Implementation of support related to software migrations, as needed. This may require communication and troubleshooting with other District vendors.
- m. Monitoring and adjusting data backup and recovery systems on a weekly basis to include new or changing data sources.
- n. Verify that backup is completed on a weekly basis. Quarterly backup verification by testing, Confirm that backups are stored offline.
- o. Testing of data restoration processes to evaluate effectiveness in the event of a system failure, occurring at least quarterly.
- p. Maintenance of IT asset inventory and regular scheduling of electronic retirement and proper disposal (e.g., wiping agency data from hardware prior to disposal, recording specs and estimated value of retired equipment, and coordinating the sale of serviceable equipment or e-waste collection of retired equipment). The District typically handles e-waste of retired equipment.
- q. Monitoring and managing of the District's telecommunications and phone system with a separate contracted vendor (RingCentral) and providing District staff support.

M. Network Administration: This consists of a variety of tasks required to initiate, adjust, and implement network functions, including but not limited to:

- a. Network equipment maintenance and support, including switches, firewalls, and other similar devices, including public and internal Wi-Fi.
- b. Network, network device, and server capacity monitoring and planning.
- c. Server OS configuration and version updates.
- d. Management of backup and disaster recovery systems.
- e. Installation and troubleshooting of printers/scanners not otherwise serviced by a separate vendor.
- f. Analysis, routine configuration changes, minor cabling, and installation of patches and upgrades.
- g. Proactive monitoring of network equipment, performance, and management; troubleshooting, as required.
- h. Maintenance of the District's email accounts using the District domain, including adding, changing, and/or deleting employee accounts as requested. District staff must have access and training to add/edit/audit.
- i. Mapping of network resources, such as shared file storage drives.
- j. Service pack installations.

N. Website: While the District contracts with a dedicated website vendor (Streamline) for its web platform and hosting services, the Contractor will be required to provide the following website-related support services but not limited to:

- a. Maintain required SSL certificates and domains.

O. Finance, Audit, Public Records Act Requests, and Grant Assistance: The Contractor shall provide and aid the District with any audit, finance, Public Record Act requests, and IT or Cybersecurity grants and funding tasks on an as-needed basis (including but not limited to):

- a. Maintain a list of all software and subscription-based programs and aid the District in providing any and all data and information that may be required as part of an audit, or as needed to support the District's obligations and reporting requirements.
- b. Assist the District with retrieving any data and information required to respond to any Public Records Act requests.
- c. Aid in preparing and applying for any grants for IT or Cybersecurity.

P. Communication: The Contractor is expected to uphold the following communication standards:

- a. Maintain a professional and effective communication rapport with District staff, promptly providing valuable and accurate information.
- b. Establish a consistent work schedule to outline when routine on-site maintenance and technical support will occur.
- c. Monitor lifecycles and service contracts for all hardware and software related licenses and warranties. Provide advice regarding management of end-of-life or impending expirations at least six months before expiration.
- d. Communicate new developments or recommendations regarding technology to improve IT operations' efficiency and effectiveness.
- e. Meet annually to review the current state of the District's information technology and managed services agreement.

Q. Training: At the request of the District, the Contractor will provide end-user training for various software (Microsoft 365), hardware, and network technologies, as needed.

- a. The Contractor shall provide trainings on a variety of topics but not limited to cybersecurity, ransomware, MFA, AI and other opportunities to protect the safety of the District's information technology and network.

R. Equipment: Historically, the Contractor has purchased equipment based on Contractor's recommendations. However, this contract does not obligate the District to purchase any equipment, hardware, devices, cabling, licenses, software, etc., from the Contractor. The District retains the right to purchase all equipment and software as it sees fit.

S. Exclusions: The District uses a different third-party vendor for management of its sewer SCADA system, and that system is excluded from this scope of work.

**EXHIBIT "B" TO AGREEMENT
CONTRACTOR'S PROPOSAL**



PROPOSAL FOR

INFORMATION TECHNOLOGY MANAGED SERVICES PROVIDER (MSP) AND CYBERSECURITY SERVICES





Date: 10/1/2024

Midway City Sanitary District

14451 Cedarwood Street

Westminster, CA 92683

Attn: Robert Housley
General Manager

Dear Mr. Housley,

LAN WAN Enterprise, Inc. is pleased to submit our proposal in response to the Midway City Sanitary District's Request for Information Technology Managed Services. As an SBA-certified Woman-Owned Small Business with over 22 years of experience working with local government agencies, we bring a wealth of expertise to this engagement.

Our team of highly skilled Project Managers, Network Engineers, Certified Ethical Hackers, and IT Specialists is well-equipped to design, implement, and maintain comprehensive network solutions tailored to the specific needs of the Midway City Sanitary District. With a proven track record of successfully partnering with various local government agencies and law enforcement agencies, we ensure full compliance with all relevant regulations and standards. As your trusted IT consultants, we offer not only continuity and a deep understanding of your current infrastructure but also a commitment to enhancing both efficiency and security.

We are eager to further discuss how LAN WAN Enterprise can support and advance the Midway City Sanitary District's IT and network infrastructure, confidently transforming your technology and future-proofing your operations.

Rami Dababneh
Executive Vice President

A handwritten signature in black ink that reads "Rami Dababneh".



TABLE OF CONTENTS

1 Proposal Summary.....1

1.1 Comprehensive IT Support.....1

1.2 Experienced Team with Proven Expertise.....2

1.3 Security and Compliance Focus.....2

1.4 Tailored IT Solutions2

1.5 Scalable Solutions and transparent pricing3

1.6 Point of Contacts3

2-Profile of Proposing Firm4

2.1 Firm Size and Organizational Structure4

2.2 Organizational Chart5

2.3 Subcontracting6

3 - Qualifications of the Firm.....7

3.1 Qualification and previous experience on similar or related projects.....7

3.1.1 Clients we Serve in 20249

3.2 Experience with Local Governments.....9

3.3 Advanced Municipal and Law Enforcement Projects.....10

3.4 California Multiple Award Schedule (CMAS).....12

3.5 Application Support.....13

3.6 Contractors State License Board.....13

4.0 – Service Plan.....19

4.1 Service Plan for Transition to Full Operation by Dec 31st.....20

5.0 Staffing Plan.....22

6.0 Proposed Innovations.....23

6.1 Swiss Cheese Model28

7.0 Cost Proposal.29

8.0 Understanding of Requirements.35

9.0. Questions and Clarifications on the RFP36

10.0 Professional Services Agreement36

11.0 Insurance.....36

Exhibits:

Exhibit A - Service Level Agreement.....37

Exhibit B - CLETS Certificates38

Exhibit C CMAS Certificate.....40

Exhibit D State Contractor License C7\C1045

Exhibit E Statement of Information46

Exhibit F References47



1-Proposal Summary

LAN WAN Enterprise IT Solutions is pleased to present our proposal to provide comprehensive IT Managed Services to the Midway City Sanitary District. With a proven track record of supporting public sector organizations such as municipalities and law enforcement agencies since 2006, we bring a wealth of experience and expertise to ensure that the City's IT infrastructure is strong, secure, and future-ready. Our approach is tailored to the Midway City Sanitary District's specific requirements, ensuring a smooth transition to enhanced IT services while maintaining cost efficiency and high service standards.

Key Highlights of Our Proposal:

1.1 Comprehensive IT Support:

- 1. 24/7 Support Services:** We provide around-the-clock support to ensure that IT issues are addressed promptly, minimizing downtime and ensuring continuous operation of the City's essential services. Our Help Desk is staffed by certified professionals who are adept at managing the specific challenges faced by municipal IT environments.
- 2. On-Site and Remote Support:** Our proposal includes both on-site support, with a dedicated technician available as needed, and remote support to ensure flexibility and responsiveness. This hybrid support model is designed to address both routine and emergency IT needs effectively.

1.2 Experienced Team with Proven Expertise

- **Certified IT Professionals:** Our team is comprised of highly skilled and certified IT professionals with extensive experience managing complex IT environments similar to the Midway City Sanitary District. With over 400 IT Certificates, our staff is certified in Microsoft, Cisco, and other leading technologies, so the City's IT systems are in good hands.
- **Certified Ethical Hackers:** Our team proudly includes full time **Certified Ethical Hackers**, certified by EC-Council, an organization recognized by the **Department of Defense**. These experts specialize in identifying and mitigating security threats, providing advanced protection for the City's network.



- **Proven Public Sector Experience:** LAN WAN Enterprise IT Solutions has a successful track record of working with several public sector clients such as government agencies, police departments for over 18 years . Our in-depth understanding of the regulatory and operational requirements of public sector IT environments enables us to provide solutions that are both compliant and highly functional.
- **DOJ CLETS Certified and Live Scanned:** All members of our team are DOJ CLETS certified and have undergone Live Scan fingerprinting. This certification ensures that our staff meets the highest standards for security and compliance, particularly in handling sensitive data and working within secure environments.

1.3 Security and Compliance Focus

- **Enhanced Network Security:** We prioritize proactive network security measures such as regular vulnerability assessments, intrusion detection, and adherence to industry standards like NIST . Our collaboration with leading security providers ensures that the City's data and systems are safe from evolving cyber threats.
- **Disaster Recovery and Business Continuity:** Our disaster recovery solutions are intended to keep the City's IT systems resilient and recoverable in the event of a disruption. We use best-in-class backup solutions that include immutable backups and offsite replication to reduce data loss and downtime.

1.4 Tailored IT Solutions

- **Strategic IT Planning:** We provide strategic planning services to help the Midway City Sanitary District align its IT investments with its long-term objectives. Our team will collaborate closely with City leadership to identify opportunities for technological advancements that improve service delivery and operational efficiency.
- **Customized Service Delivery:** Recognizing that each department in your agency has unique IT requirements, we tailor our services to meet these specific needs. From mission-critical public safety applications to day-to-day desktop support, our approach is both comprehensive and adaptable.



1.5 Scalable Solutions and transparent pricing:

- **Transparent Pricing:** We believe in transparency and have detailed all costs associated with our services to ensure there are **no hidden fees** or unexpected charges.
- **Scalable Solutions:** Our IT services are scalable, allowing the City to adjust service levels as needed while maintaining quality and performance. This flexibility allows the City to effectively manage its IT budget while still receiving the highest level of service.

1.6 Point of Contacts

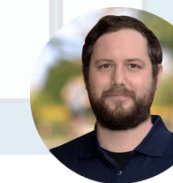
Rami Dababneh – Executive VP
Cell (714) 393-2264
Ramid@lanwane.com



Dave Miller – Account Manager
Cell (949) 526-6118
Davem@lanwane.com



Jesse Rich – Certified Ethical Hacker
Cell (714) 788-9154
Jesser@lanwane.com



Finally, LAN WAN Enterprise IT Solutions is confident in its ability to provide exceptional IT Managed Services to the Midway City Sanitary District. Our proposal is intended to provide the City with a dependable, secure, and forward-thinking IT environment that supports its mission to provide excellent public services. We look forward to collaborating with the Midway City Sanitary District and contributing to its continued success.



2-Profile of Proposing Firm

2.1 Firm Size and Organizational Structure:

LAN WAN Enterprise IT Solutions, founded in 2002 and headquartered in Irvine, California, is a leading provider of comprehensive IT services with a strong focus on supporting public sector clients. With over 22 years of experience, we have grown into a well-established firm with a team of 22 dedicated employees. Our organizational structure is designed to ensure both local presence and strategic oversight, enabling us to deliver tailored IT solutions effectively and efficiently. Our team includes certified professionals with expertise in areas such as network engineering, cybersecurity, project management, wireless solutions, and IT infrastructure support. We provide both on-site and remote support to our clients, ensuring a high level of service availability and responsiveness. At LAN WAN Enterprise, we pride ourselves on being your **one-stop IT solutions provider** for all your technology needs. This isn't just a statement; it's a commitment we live by. We've taken this commitment further by securing our C7 Low Voltage many years ago and C10 Electrical Contractor license in 2024, enabling us to execute large-scale projects with precision. For instance, our implementation of partial citywide WiFi for the City of Huntington Park showcases our ability to deliver comprehensive IT solutions, from network infrastructure to outdoor installations, ensuring seamless connectivity and superior service





2.2 LAN WAN Enterprise Organizational Chart





2.3 Subcontracting

We want to emphasize that LAN WAN Enterprise does not, and will never, subcontract any of our core IT services. Our commitment to quality and accountability drives us to handle all IT services in-house, ensuring that our clients receive the highest level of expertise and consistency. If subcontracting is ever necessary, it would only be for larger low or high voltage projects that are part of a broader IT initiative. In such cases, any subcontracted work would be handled by firms that meet our rigorous standards, and we would maintain oversight to ensure seamless integration and quality delivery.





3 – Qualifications of the Firm

3.1 Qualification and previous experience on similar or related projects

LAN WAN Enterprise has been a trusted provider of comprehensive technology solutions in Southern California since 2002, specializing in delivering reliable and professional IT services. We have a strong track record of partnering with local government agencies, offering customized IT solutions tailored to meet the specific needs of public sector operations.

Our strengths include:

- **Proven Track Record:** We have maintained Local government contracts since 2006, **which are still active today**. This long-standing relationship is a testament to the high quality of our services and the consistency of our deliverables.
- **Unmatched Security:** We proudly employ full-time, in-house Certified Ethical Hackers, ensuring our security systems have the longest continuous operational history in the field.
- **Expert Team:** Our professionals are highly trained across all IT disciplines.
- **Certified and Secure:** All team members are DOJ CLETS certified and have undergone Live Scan background checks.
- **Rapid Response:** We never talk in terms of days—our response times are measured in minutes or just a few hours, ensuring your IT needs are addressed promptly.
- **Client Collaboration:** Communication with key stakeholders is essential. We recommend monthly IT Committee meetings with City department heads to better understand key challenges and improvements. These meetings also facilitate ongoing improvement, effective planning, and foresight into future projects.
- **Innovative Solutions:** Thanks to the advanced solutions we provide, we proudly state that none of our accounts have experienced a cyber threat or ransomware attack.

At LAN WAN Enterprise, we are committed to exceeding client expectations, continuously pushing the boundaries of innovation and excellence in IT services. Our dedication to excellence has established us as a reliable partner and industry leader in IT services, making us a dependable choice for government organizations and enterprises alike.



For over two decades, LANWAN has been dedicated to delivering top-tier technical consultation and enhancement strategies to a diverse clientele, including local governments and law enforcement agencies. As a Microsoft Gold Partner, Motorola MSI (Motorola Solutions, Inc.) Partner, Cisco Partner, Citrix Solution Advisor, VEEAM and many others our credentials speak to our commitment to excellence and industry leadership.





Clients we serve in 2024 - Public



ORANGE COUNTY
SHERIFF'S DEPARTMENT



San Gabriel
CITY WITH A MISSION



SANTA ROSA
POLICE



LAX





Clients we serve in 2024 - SMB





3.2 Experience with Local Governments

We have significant experience supporting local government agencies, including city halls, police departments and other agencies. Our clientele is primarily based in Southern California, where we offer both remote and on-site technical support to meet their diverse needs.

Client Name	Managed Service Agreement	Timeline	Details
City of Bell Gardens & Police Department	<ul style="list-style-type: none"> • 2 Onsite support – 80 hours\week • Virtual CIO Budgeting and planning. • Round-the-Clock Help Desk Support • Continuous Monitoring with 24/7/365 NOC and SOC • Cybersecurity Services and Audits • 24/7/365 System and Network Management • Asset Tracking and Management • Comprehensive Documentation Management 	June 2006 – Present	Size~: 300 users
City of Huntington Park & Police Department	<ul style="list-style-type: none"> • 2 Onsite support – 80 hours\week • Virtual CIO Budgeting and planning • Round-the-Clock Help Desk Support • Continuous Monitoring with 24/7/365 NOC and SOC • Cybersecurity Services and Audits • 24/7/365 System and Network Management • Asset Tracking and Management • Comprehensive Documentation Management 	Aug 2014 - Present	Size~: 300 users
City of Adelanto	<ul style="list-style-type: none"> • 2 Onsite support – 80 hours\week • Virtual CIO Budgeting and planning • Round-the-Clock Help Desk Support • Continuous Monitoring with 24/7/365 NOC and SOC • Cybersecurity Services and Audits • 24/7/365 System and Network Management • Asset Tracking and Management • Comprehensive Documentation Management 	April 2018 – Present	Size~: 200 users
City of Yucaipa	<ul style="list-style-type: none"> • 1 Onsite senior engineer – 16 hours\week • support for the existing IT Dept. 	Sep 2021- Present	Size~: 200
City of San Gabriel	<ul style="list-style-type: none"> • Provide on-call network consulting • Support daily IT operations • Assist in major projects 	Mar 2021-Present	Size~: 220
City of Cypress	<ul style="list-style-type: none"> • Provide on-call network consulting • Support daily IT operations • Assist in major projects • Develop and implement Technology Master Plan 	Aug 2024 – Present	Size ~: 150 users

3.3 Advanced Municipal and Law Enforcement Projects

local government agencies and law enforcement agencies trust us for advanced project solutions, backed by decades of combined expertise. Our proven track record makes us the go-to partner for complex initiatives. Here are some key projects LAN WAN Enterprise has completed in recent years:

Client Name	Managed Service Agreement	Timeline	Completion
City of Huntington Park	<p>Free public WiFi for 12,000 residents</p> <ul style="list-style-type: none"> • Partial City-Wide Free Public WiFi (0.5 Sq Miles) • Mesh Network of over 300 poles • Closing the Digital Divide • Coverage for Lowest income community in the city • Serving 12,000 residents • Round-the-Clock Help Desk Support Spanish and English • 24/7 Network Monitoring • Solutions is scalable for Smart City IOT devices 	June 2023–April 2024	100%
City of Adenalto	<p>Cyber & Physical Security Transformation for Water and Sewer Systems</p> <ul style="list-style-type: none"> • Installed advanced military-grade cameras and License Plate Readers. • Implement AI Analytics and Facial Recognition technology • Strengthened cyber defenses with network segmentation and encryption. • 8 sites are connected back to the data Center • 65 Cameras and License plate readers installed across all sites 	Jan 2024 - Present	85%
City of Lynwood	<p>Indoor\Outdoor free WiFi in Parks</p> <ul style="list-style-type: none"> • Implement the newest WiFi 7 for lynwood parks • Enhances digital inclusion and access • Lynwood Park as potential citywide WiFi hub 	May 2024 – Aug 2024	100%
City of Bell Gardens	<p>Zero Downtime Fault Tolerance</p> <ul style="list-style-type: none"> •Implemented zero downtime, full fault tolerance solutions. • Established identical data centers for disaster recovery. •Deployed active-active configuration for continuous operations. •Ensured seamless application performance for Bell Gardens. 	2022	100%

Client Name	Managed Service Agreement	Timeline	Completion
City of San Gabriel	<p>Comprehensive CIS CSCv8 Security Assessment and Enhancement</p> <ul style="list-style-type: none"> • Conducted comprehensive CIS CSCv8 security assessment. • Identified and mitigated critical security vulnerabilities. • Enhanced compliance with industry-standard cybersecurity controls. • Provided tailored recommendations for improved security posture. 	2023	100%
City of huntington park	<p>Comprehensive Cybersecurity Enhancement: Resilient Site Replication for City and Police IT Systems</p> <ul style="list-style-type: none"> • Implement ransomware protection measures, including offsite backups • Establish site replication for City Data Center and Police Department • Migrate emails to Office 365 Cloud for enhanced security • Enable failover and failback operations for disaster recovery • Introduce two-factor authentication (2FA) for secure network access 	2022	100%
Riverside Sheriff Department	Upgrade 911 Dispatch centers for 13 Police Departments in various cities	March 2024- June 2024	100%
Los Angeles Police Department	Upgraded 911 dispatch consoles at both primary dispatch centers.	Sep 2021- Present	80%
Orange County Sheriff Department	Upgrade 7 simulcast RF sites for OC Sheriff police radio networks	July 2024 - Present	90%
LAX Airpot	Upgraded 911 dispatch consoles at all dispatch locations.	Nov 2023 - Feb 2024	100%



3.4 California Multiple Award Schedule (CMAS):

LAN WAN Enterprise holds several California Multiple Award Schedule (CMAS) agreements with the State of California, positioning itself as a trusted supplier for IT consultations, professional services, security, and wireless solutions. These agreements allow LAN WAN Enterprise to offer competitively assessed and pre-negotiated products and services to California state and local government agencies. The CMAS program streamlines procurement, ensuring that agencies receive fair and reasonable pricing while adhering to California procurement codes and policies. This relationship underscores LAN WAN Enterprise's commitment to providing top-notch services with the highest level of contractual protection.

According to the 2022 data, California state agencies alone procured over \$350 million in goods and services through the CMAS program, highlighting the significant role these agreements play in supporting government operations. LAN WAN Enterprise is proud to be a part of this initiative, offering a consultative approach that covers all aspects of a project, from assessment and design to integration and installation. The company's expertise spans a broad array of industries, with a particular focus on government, corporate, and healthcare markets, ensuring comprehensive support for clients from conceptual planning to ongoing service.

local government agencies and various public institutions, including cities, counties, districts, K-12 schools, community colleges, and California State University and University of California systems, can take advantage of these CMAS agreements without limitation. This allows them to access the same high-quality services and products available to state agencies, enabling them to enhance their operations efficiently and effectively. With built-in compliance to California public codes and the flexibility to tailor orders, LAN WAN Enterprise provides a robust solution for entities looking to leverage CMAS for their IT and security needs.



3.5 Application Support

Our team has supported a variety of applications for law enforcement, including but not limited to

- Tyler Eden, Tyler MUNIS ERP (on premise) , Tyler New World, Springbrook, Central Square, SCADA Water Management
- Laserfiche, HDL Business License, HDL Property Tax, ARCGIS.
- DUO 2FA, SOPHOS, Microsoft Office 365, Cisco AnyConnect VPN, Foxit, Star2Star, Adobe Pro, Veeam, N-able, VMware ESXi, Apple Business Manager,
- FuelView, Acadle, Transcendent, Minecraft Education, RTARfleet, Venus 1500, Business License SDI, Immutable Backup Deployment, VPN Site to Site, Cisco Umbrell
- Barracuda Email Filtering, Cloud Backup, SDWAN, Sophos EDR, MDR, XDR

Our team has supported a variety of applications for law enforcement, including but not limited to:

- Netmotion, Veripic, Office 365, Intime, Blue Check, Cal-Photo, Camera System
- WebiPlex DocuPeak, NCIC Jail Calls, RMS, VisionCAD, 911 Recording System, Veritone
- Coplink - Crimetracer, ALPR, Motorola PTT, Fleet Management, Clear Thomson • Duo, PCD, Clew, Spillman Flex, Motorola Solutions CAD, Motorola Avigilion Cameras

3.6 Contractors State License Board

As a licensed C7 contractor specializing in Low Voltage Systems, we excel in telecomm and cable runs, wire mapping, micro testing, and certifications. Our C10 general contracting services extend to electrical installations for intelligent city solutions, seamlessly integrating advanced technology.

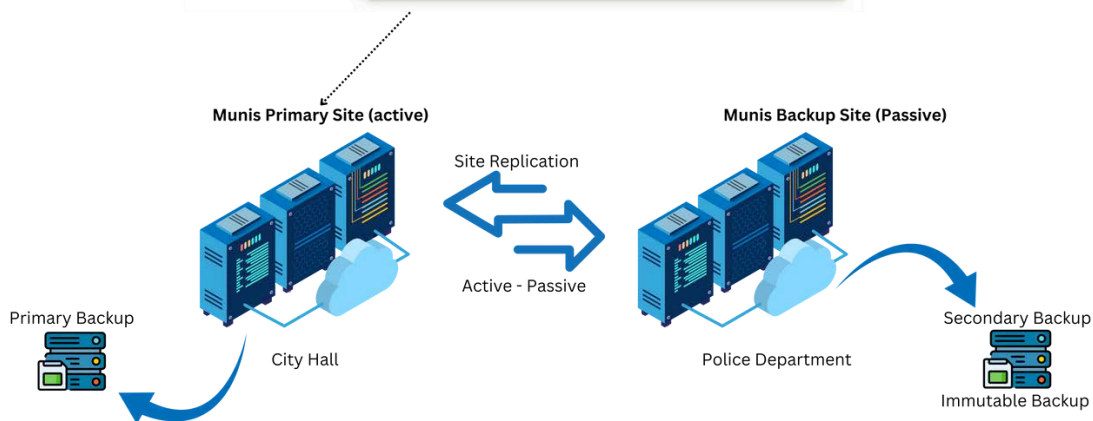
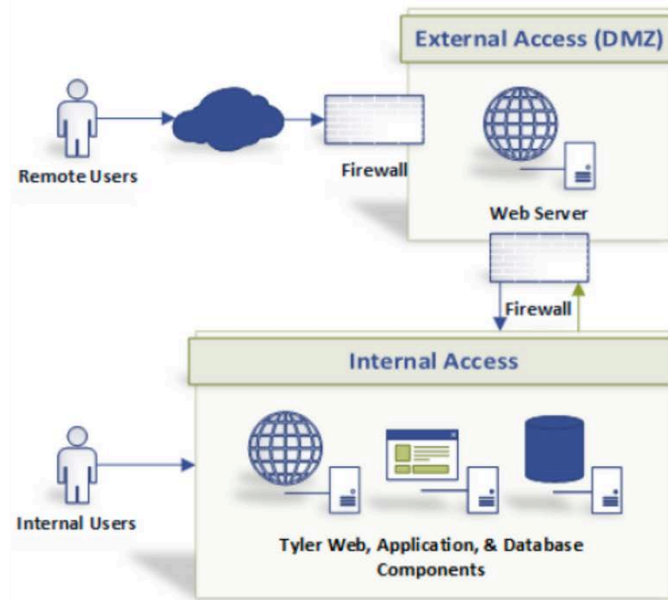


3.7 project experience with other public municipalities

Project#1

Client Name: City of Huntington Park

Project Name: Tyler Enterprise ERP (formerly Munis) Network and Servers implementation
Description : We were contracted to develop the entire data and network infrastructure for the Tyler Enterprise ERP (formerly Munis) for the City of Huntington Park. The infrastructure is fully prepared for migration, and we are currently in the process of transitioning the finance module from NaviLine, developed by Central Square, to Tyler Enterprise ERP. Below is the network design we implemented within the City's network, including a Site Replication (Active-Passive) configuration and an immutable backup solution to safeguard the data against cyber-attacks





Cost: \$475,000

Proposal percentage of responsibilities: 100%

Project Dates: August 2022 – Jan 2023

Budget\Schedule : The project was completed on budget and on schedule

Client Project Manager's Contact Information:

Nita Mckay , Former Finance Director Nita Left the City in 2023 right after the implementation was completed. Jeff Jones is taking over , and just started the initial meetings for the financial Module migration (Estimation completion is 12 months)

Project#2

Client Name: Bell Gardens Police Department

Project Name: Zero Downtime Resilience (Fault Tolerance

Project Description : LAN WAN Enterprises developed a disaster recovery solution for the Bell Gardens Police Department, ensuring uninterrupted operation of essential law enforcement applications Computer-Aided Dispatch (CAD) and Records Management System (RMS) software on 2 identical servers. The solution focused on achieving fault tolerance with 99.999% uptime, designed to withstand and mitigate both hardware and software failures, preventing critical system disruptions

Cost: \$250,000

Responsibilities: 100%

Project Dates: July 2021 – sep 2021

Budget\Schedule : The project was completed on budget and on schedule

Client Project Manager's Contact Information

Chief Paul Camacho

pcamacho@bgpd.org

(562) 806-7600



Project#3

Client Name: City of Adelanto

Project Name: Network Overhaul (City hall) and new Disaster Recovery Site in public works

Project Description : The City of Adelanto partnered with LAN WAN Enterprises to enhance disaster recovery by establishing a secure offsite data center, focused on data integrity and swift recovery. Challenges included ensuring data protection, minimizing downtime, and securing backups against cyber threats. LAN WAN Enterprises implemented a dedicated offsite facility with an active-passive configuration, Linux-based immutable backups, multi-layer security, and a high-speed point-to-point wireless connection to ensure rapid and reliable disaster recovery.

Cost: \$350,000

Responsibilities: 100%

Project Dates: Jan 2023 – June 2023

Budget\Schedule: The project was completed on budget and on schedule

Client Project Manager’s Contact Information

Jessie Flores City Manager

Phone. +1 760-246-2300 Ext 11184

Email: jflores@adelantoca.gov

Project#4

Client Name: Adelanto Public Utility Authority (APUA)

Project Name: Enhancing City Surveillance: Comprehensive Camera and LPR Installation for Illegal Dumping Areas

Project Description : LAN WAN Enterprise successfully enhanced the security of Adelanto’s water facilities by installing Motorola Avigilon Facial Recognition cameras with AI analytics, alongside License Plate Readers (LPR) on 28-foot concrete poles. We connected all water and sewer sites to City Hall using high-speed Point-to-Point radios, ensuring centralized monitoring and real-time surveillance. This project significantly bolsters the security infrastructure, safeguarding critical resources and ensuring continuous, reliable operations across the district’s water facilities.

Cost: \$1.2M

Responsibilities: 100% **Project Dates:** July 2024 – Completion Nov 2024

Budget\Schedule: The project was completed on budget and on schedule

Client Project Manager’s Contact Information

Jessie Flores City Manager

Phone. +1 760-246-2300 Ext 11184

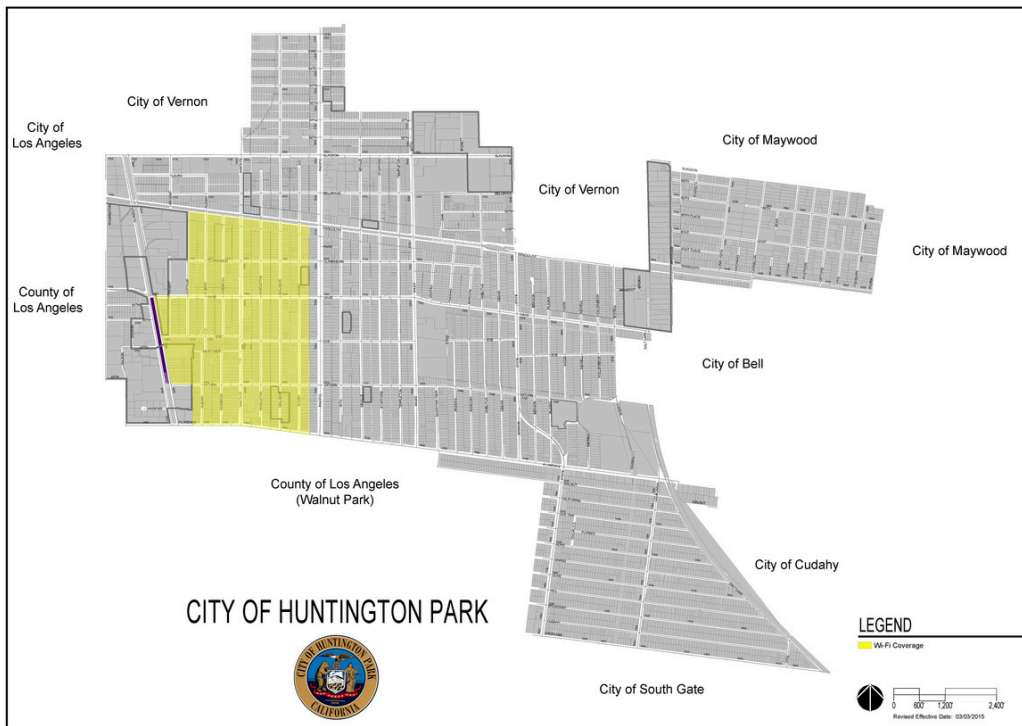
Email jflores@adelantoca.gov



Project#5

Client Name: City of Huntington Park Project Name: Partial Citywide WiFi

Project Description : implementing a partial City-Wide Wi-Fi network across various community locations, aimed at closing the digital divide and providing Wi-Fi for over 12,000 residents in the lowest income community in the city. This initiative seeks to ensure universal internet access, foster digital inclusion, and promote economic and community development. The network empowers underserved communities, enhance educational opportunities, and promote civic engagement. This project was designed, implemented and is being supported by LAN WAN Enterprise Team



percentage of responsibilities: 100% of the design and implementation of Point-to-Point Radios and WiFi Access points The City engaged a third-party electrical contractor to supply power for approximately 300 poles.

Cost: \$ 2.5M (Using ARPA Funding)

Project Dates: July 2023 – May 2024

Budget\Schedule: The project was completed on budget and on schedule Client Project Manager’s

Contact Information

Rick Reyes City Manager

rreyes@hpca.gov

(323) 582-6161



Project#6

Client Name: Costa Mesa Sanitary District CMSD

Project Name: Network Overhaul (City hall) and new Disaster Recovery Site in public works : LAN WAN Enterprises implemented a comprehensive disaster recovery solution for CMSD, linking their main headquarters to the yard house via Dark Fiber and deploying VMware vSphere replication. This configuration guarantees high-speed, secure connectivity and dependable disaster recovery, ensuring uninterrupted operations even in the event of a total HQ Data Center failure. This case study showcases LAN WAN Enterprises' expertise in delivering customized, resilient IT solutions that cater to the specific needs of our clients. As part of this project, LAN WAN Enterprise was responsible for implementing an 8-hour backup battery solution and establishing a fully operational Emergency Operations Center, ensuring continuous access to 911 services during a complete 8-hour power outage.

Cost: \$150,000

Responsibilities: 100%

Budget\Schedule: The project was completed on budget and on schedule

Client Project Manager's Contact Information

Gina Terraneo
Management Analyst
949.645.8400
gterraneo@cmsdca.gov

Project#7

Client Name: My Place Health

Project Name: Comprehensive Network Infrastructure Design and Deployment for MyPlace: Ensuring Seamless Connectivity and Compliance

Project Description : LAN WAN Enterprises provided comprehensive network support and infrastructure design for My Place, including the purchase, configuration, and installation of switches, access points, cellular gateways, and cabling systems. The project involved connecting wiring closets, deploying a predictive Wi-Fi map, and integrating security where needed. LAN WAN also managed all permits, ISP contracts, and ongoing network management, ensuring the network was fully operational and compliant with industry standards. The project was completed on time, within scope, and within budget, with LAN WAN overseeing all aspects, including cable installation and certification

Cost: \$160,000

Responsibilities: 100%

Budget\Schedule: Completion Date is Nov 2024

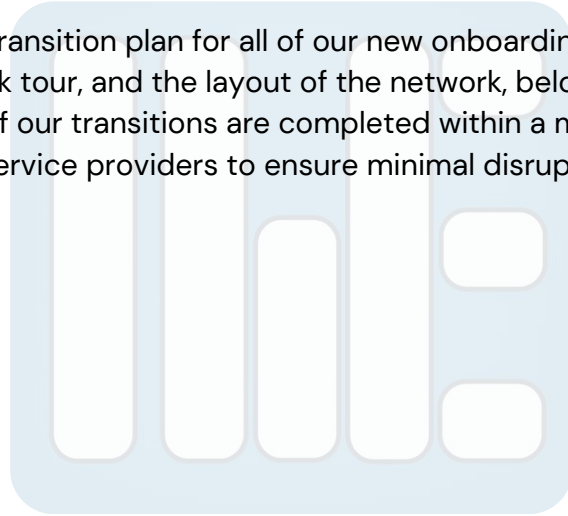
Client Project Manager's Contact Information

Anthony Ferlan
Senior Director myPlace Health
(617) 913-2925
aferlan@myplacehealth.com



4.0 – Service Plan

We have a detailed transition plan for all of our new onboarding clients. Based on the walkthrough, sidewalk tour, and the layout of the network, below is a comprehensive timeline for transition. Most of our transitions are completed within a month or less in cooperation with the existing IT service providers to ensure minimal disruption and a smooth transition.





4.1 Service Plan for Transition to Full Operation by Dec 31st





We have a well-structured transition plan that serves as a flexible blueprint, contingent on approval from the District Board and General Manager. We anticipate completing the process within a month, though it may take less time depending on the level of collaboration from the current managed service provider.

- 1. Operational Data Gathering (Nov 1-7):** LAN WAN Enterprise will start by collecting all necessary operational data, including passwords, policies, user data, licensing, domain information, and any existing documentation. This foundational data will guide every step in the transition process.
- 2. Tool Installation (Nov 8-14):** We will install our advanced monitoring and management tools. These tools will be fully integrated into the District's IT infrastructure, providing a comprehensive view of the network and ensuring secure access.
- 3. Password Security Enhancement (Nov 15, 18-19):** LAN WAN Enterprise will change all publicly accessible account passwords to ensure no unauthorized individuals have access to the City's network post-transition. These new passwords will be securely stored and managed using a password vault, ensuring only authorized personnel have access.
- 4. Documentation Setup (Nov 20-22, 25):** All collected information will be ingested into our premier documentation tool. This ensures that every aspect of the district's IT environment is accurately documented and easily accessible for ongoing support and future reference.
- 5. Initial System Assessment (Nov 26-27, Dec 2):** We will conduct a detailed assessment of the current IT environment using our installed tools. This assessment will identify any immediate risks, gaps, or areas needing improvement, guiding the final preparations for the transition.
- 6. Staff Training (Dec 3-5, 9):** LAN WAN Enterprise will train the help desk team and other relevant staff on the City's specific IT environment and the new tools in place. Additionally, we will provide an overview to the City's team, including a contact matrix to clarify whom to contact for various situations.
- 7. Final Configuration and Testing (Dec 10-12):** We will fine-tune configurations based on the assessment results and conduct thorough testing of all systems to ensure everything functions optimally. This phase includes simulated scenarios to test the responsiveness and reliability of the newly integrated systems.
- 8. Pre-Go-Live Review (Dec 13, 16):** We will conduct a final review with key stakeholders from both LAN WAN Enterprise and the district to ensure alignment. Any last-minute adjustments will be made to ensure everything is ready for the official go-live.
- 9. Go Live (Dec 17):** LAN WAN Enterprise will officially take over IT operations, including monitoring and supporting the Server and Network infrastructure. We will begin managing user support calls and IT issues through our Connectwise PSA ticketing system.
- 10. Post-Go-Live Support and Roadmap Presentation (Dec 18-20, 23-31):** After the go-live, we will provide enhanced support as users adjust to the new system, addressing any issues promptly. By Dec 31st, LAN WAN Enterprise will present a detailed assessment, ensuring continued IT development and support aligned with the district's long-term goals. This plan ensures a smooth and secure transition to full operation by Dec 31st, with LAN WAN Enterprise providing comprehensive IT support and maintaining the integrity of the district's network.



5.0 Staffing Plan

LAN WAN Enterprise is committed to providing the Midway City Sanitary District with the highest level of service by assigning a qualified and experienced on-site support technician. We understand the importance of selecting the right personnel for this role. To ensure we allocate the best possible resource for Midway City Sanitary District, we will assign a technician for the interview process once the City has shortlisted our company. This approach allows us to match the specific needs of the City with the most suitable expert from our team. Rest assured, the assigned technician will meet all the necessary qualifications and have the relevant experience to effectively support your operations.



6.0 Proposed Innovations

At LAN WAN Enterprise, our approach to service delivery is not just about managing the technical aspects of your IT infrastructure but also about taking a holistic view of your entire account. We proactively assess how we can make the Midway City Sanitary District technologically future-proof and secure against evolving cyber threats. Our strategy involves not only maintaining the day-to-day operations but also strategically planning for the future, ensuring that the District's IT infrastructure is resilient, scalable, and robust against any potential challenges. By focusing on innovation, cybersecurity, and operational efficiency, we aim to position Midway City Sanitary District at the forefront of technological advancement, providing a foundation that supports long-term

- **Hybrid Service Delivery Model:** Implement a hybrid service delivery model that combines on-site (unlimited \ As needed) and remote support. Given Midway City Sanitary District's network and the District's size, this model ensures a balance between immediate on-site assistance and the efficiency of remote troubleshooting. This approach can reduce costs while maintaining high service levels, as additional resources can be deployed quickly from our Irvine headquarters, located just 12 miles away.
- **Proactive Monitoring and Management:** is our MSP's solution for maintaining and securing your IT environment. With 24/7 real-time monitoring of servers, workstations, and networks, we detect and resolve issues before they cause disruptions. Our automated maintenance and security updates ensure peak performance and minimize downtime, keeping your systems secure and optimized so you can focus on your business.
- **Enhanced Public Safety Technology:** Propose the integration of advanced public safety technologies, such as smart surveillance systems equipped with real-time analytics. These systems can include facial recognition, license plate recognition, and automated incident alerts.



- **Cost-Efficiency Initiatives:** Implement wireless radio technology between the District's sites to significantly reduce the cost of internet circuits currently paid by the district. By establishing point-to-point wireless connections, we can minimize the need for expensive leased lines or multiple internet circuits, leading to substantial savings on recurring costs. If we have a clear Line of Sight (LOS) between the locations, these wireless radios can achieve high-speed connections, improving site-to-site communication speeds by 10 to 20 times in some cases. This enhancement not only reduces costs but also boosts the overall efficiency of data transfer and network performance, providing the district with a more robust and responsive IT infrastructure.
- **User Training and Empowerment:** At LAN WAN Enterprise, we believe that **empowering City employees through comprehensive training** is key to maintaining an efficient and secure technological environment. At the discretion of the City, we will create a tailored training platform designed to address the specific needs of all staff. This platform will include training on essential applications such as Microsoft Office 365 (Word, Excel, PowerPoint), cybersecurity awareness user training, phone system operations, and other critical tools. The training will be structured to allow users to receive personalized, one-on-one instruction, which will enhance their productivity and efficiency in their daily tasks. By equipping City employees with the necessary skills to handle everyday challenges and recognize cybersecurity threats, we aim to reduce the reliance on technical support while increasing overall operational efficiency. Our training programs will be supported by cutting-edge resources like Acadle and KnowBe4, ensuring that users are well-prepared to adopt new technologies and maintain a high level of cybersecurity awareness. These initiatives highlight LAN WAN Enterprise's commitment to delivering innovative, cost-effective solutions that not only meet the Midway City Sanitary District's current needs but also lay the groundwork for a secure and technologically advanced future.

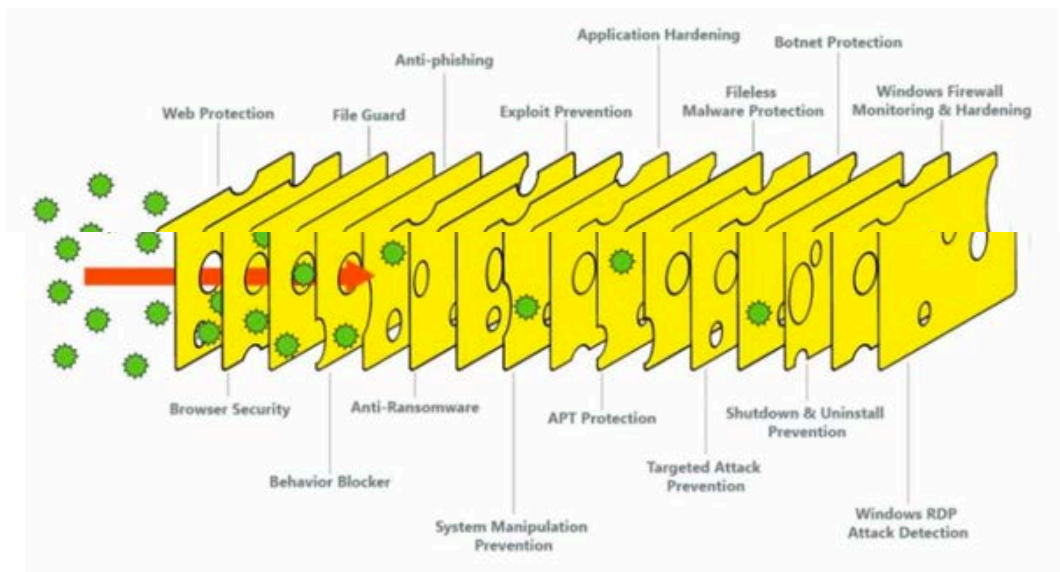


- **Advanced Parts Tracking and Asset Management:** As a committed Managed Service Provider (MSP), LAN WAN Enterprise places a strong emphasis on tracking and managing parts to ensure the highest level of service for our clients. We propose implementing a robust parts tracking system, supported by asset management platforms like Snipe-IT or similar solutions. This system will meticulously record and manage data for each part and supply used during service operations, including part numbers, descriptions, associated service request numbers, and the IT devices serviced. This detailed tracking not only ensures that all components are accounted for but also provides the district with comprehensive insights into maintenance trends. By aggregating this information into monthly reports, we can help the City identify recurring issues that may require further attention, aiding in forecasting and budget management. This commitment to transparency and accountability ensures that the Midway City Sanitary District has the necessary data to manage its IT assets effectively and maintain a reliable and efficient technological infrastructure. These initiatives underscore LAN WAN Enterprise's dedication to delivering innovative, cost-effective solutions that not only address the Midway City Sanitary District's immediate needs but also pave the way for a secure, technologically advanced future.
- **Fortifying Midway City Sanitary District's IT Infrastructure:** A Proactive Approach Lan Wan Enterprise conducts comprehensive IT risk assessments, leveraging the expertise of our Certified Ethical Hackers to identify and address security vulnerabilities within the Midway City Sanitary District's network and application infrastructure. Our approach encompasses thorough analysis, gap assessments, and proactive solutions to ensure a robust and resilient IT environment. We excel in incident management through real-time monitoring, rapid response times, and in-depth forensic investigations to effectively resolve security breaches.



6.1 Swiss Cheese Model

Our commitment to cybersecurity is evident in our regular updates to intrusion prevention and firewall systems, as well as our active engagement with the broader security community to stay at the forefront of emerging threats. Additionally, we offer comprehensive cyber insurance to provide financial protection against unexpected cyberattacks, aligning with our multilayered, proactive security strategy—known as the **"Swiss Cheese Model."** This approach ensures that the Midway City Sanitary District is not only compliant with DOJ regulations but also benefits from a strong and resilient defense against cybersecurity threats.



These enhancements demonstrate LAN WAN Enterprise's capability to deliver innovative, cost effective solutions tailored to the Midway City Sanitary District's unique needs, positioning us as a forward thinking and reliable partner in IT services.



7.0 Proposal

At LAN WAN Enterprise, we offer transparent, straightforward pricing to eliminate the complexities of IT billing. Our all-inclusive model ensures predictability and consistency, **we don't charge per device or per user**. This means as **your district grows, your costs remain the same, with no unexpected fees**. We prioritize clarity and peace of mind, so you can focus on what matters most without worrying about financial surprises.

<p align="center">Helpdesk Support (Unlimited Remote and Onsite support) (During District Business Hours)</p>	<p align="center">Monthly Cost</p>
<ul style="list-style-type: none"> • Helpdesk support: <ul style="list-style-type: none"> ◦ Front-End User Support: Addressing user-related technical issues, troubleshooting software problems, and providing guidance on IT tools. ◦ Application Support: Managing and maintaining software applications, resolving compatibility issues, and providing training or assistance as needed. ◦ Network Management: Monitoring network health, managing configurations, and resolving connectivity issues. ◦ Backup Management: Overseeing backup solutions, ensuring data integrity, and scheduling regular tests for recovery. ◦ Backend Network Support: Maintaining server health, managing infrastructure components, and troubleshooting advanced network issues. • VoIP Phone System Support: <ul style="list-style-type: none"> ◦ Provide support for the District's VoIP phone suite RingCentral. ◦ Manage and troubleshoot VoIP configurations, user extensions, call routing, and system integration. ◦ Act as the point of contact for any VoIP-related issues, ensuring quick resolution and minimizing downtime. 	<p align="center">Included</p>

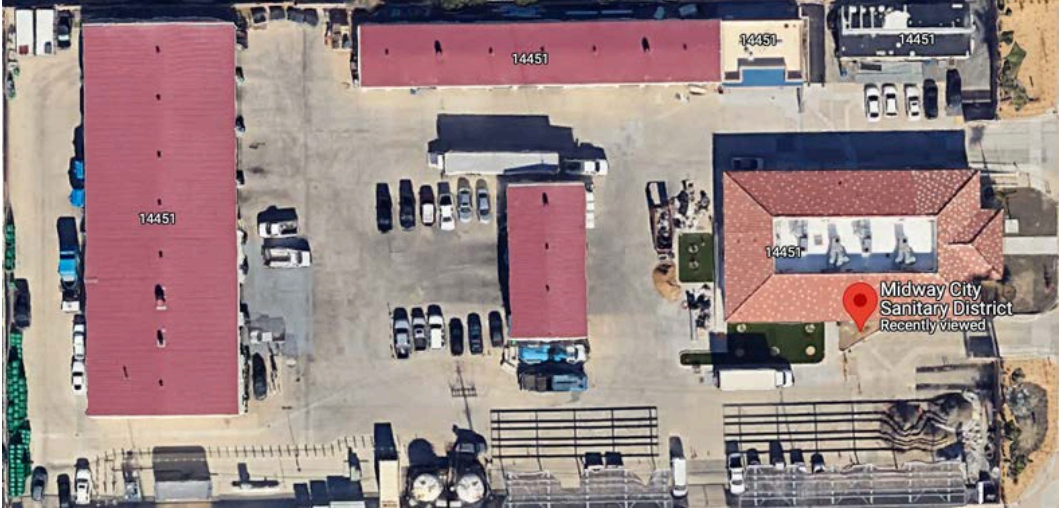


24/7 Network Management (Unlimited Remote and Onsite support)	Monthly Cost
<p>Network Management:</p> <ul style="list-style-type: none"> • Backbone Network Support: <ul style="list-style-type: none"> ◦ Maintain the core infrastructure to ensure consistent performance and uptime. ◦ Support routing, switching, and core networking devices to optimize network traffic flow. ◦ Conduct regular performance evaluations to identify potential bottlenecks and enhance network efficiency. • Network Security: <ul style="list-style-type: none"> ◦ Support firewalls, VPN configurations, ISP, Firewall, Switches, UPS, and access control policies to protect network integrity. ◦ Regularly update and maintain security protocols to guard against threats and vulnerabilities. ◦ Perform ongoing network assessments to monitor security and ensure data integrity. • WAN/LAN Management: <ul style="list-style-type: none"> ◦ Support Wide Area Network (WAN) and Local Area Network (LAN) connections for seamless communication between remote and on-site locations. ◦ Maintain wireless access points, wireless bridges, radios, and connectivity solutions for reliable, high-speed access. ◦ Configure and troubleshoot VLANs and subnets to optimize network segmentation and performance. 	Included



24/7 Network Management (Unlimited Remote and Onsite support)	Monthly Cost
<ul style="list-style-type: none">• Proactive Monitoring and Alerts:<ul style="list-style-type: none">◦ Maintain 24/7 monitoring for real-time tracking of network health and performance.◦ Set up automated alerts to quickly address potential issues before they impact operations.◦ Analyze logs and network metrics to ensure smooth operations and rapid response to anomalies.• Backup Management and Integrity:<ul style="list-style-type: none">◦ Manage and oversee all backup solutions to ensure data is securely stored and readily accessible.◦ Monitor backup results daily to confirm successful completion and address any failures promptly.◦ Resolve backup-related issues to maintain a continuous and reliable backup schedule.◦ Regularly verify backup integrity through testing and validation to ensure data accuracy and recoverability.• Disaster Recovery and Redundancy:<ul style="list-style-type: none">◦ Establish strong failover mechanisms (pending District approval) to maintain service continuity during unforeseen disruptions.	<p>Included</p>



Supported Locations and Coverage Areas	Monthly Cost
<ul style="list-style-type: none"> • Supported Locations and Coverage Areas : <ul style="list-style-type: none"> ◦ Includes the main district site and the yard located at 14451 Cedarwood St, Westminster, CA 92683. • Unlimited users and devices for any future growth 	<p>Included</p>
Total Monthly Cost	\$4,000



Monthly \ yearly license transition (optional)	
<p>Our approach will include creating an annual budget plan to ensure proactive financial management. This strategy will set clear expectations for the District's yearly IT expenditures, providing a transparent view of anticipated costs with no unexpected surprises. By aligning the IT budget with the District's fiscal planning cycle, we'll help the City prepare well in advance for the upcoming fiscal year, supporting effective financial stewardship.</p>	<p>Included</p>

Monthly \ yearly license transition (optional)	
<p>LAN WAN Enterprise will be transferring our licenses to be billed under Lan Wan Enterprise at the same price or less as reported in the Midway Sanitary District transaction detail sent on September 24, 2024. Any additional or new licenses will also be managed and billed through LAN WAN Enterprise and will be incorporated into our license management system moving forward.</p> <p>As a recognized SMB500 partner for Ingram Micro, one of the nation's largest technology distributors, LAN WAN Enterprise will also be able to provide the District with significant savings on hardware, licenses, and subscriptions.</p>	<p>Service Included</p>



Onboarding Assessment and Evaluation	One Time Cost
<p>Initial IT Assessment Service Offering</p> <ul style="list-style-type: none"> • Comprehensive System Review: <ul style="list-style-type: none"> ◦ Evaluate the current state of servers, storage, network equipment, and overall IT infrastructure. ◦ Identify any aging hardware, capacity constraints, or performance bottlenecks. • Cybersecurity Posture Assessment: <ul style="list-style-type: none"> ◦ Assess firewall configurations, endpoint security, and threat detection measures. ◦ Review existing cybersecurity policies and ensure alignment with best practices. • Software and Licensing Review: <ul style="list-style-type: none"> ◦ Check software versions, licensing compliance, and update requirements. ◦ Document all software applications in use, highlighting potential risks or deprecated software. • Network Health Check: <ul style="list-style-type: none"> ◦ Examine WAN, LAN, and wireless networks to ensure seamless connectivity. ◦ Analyze network traffic patterns to identify inefficiencies or security vulnerabilities. • Backup and Disaster Recovery Evaluation: <ul style="list-style-type: none"> ◦ Review current backup configurations, schedules, and retention policies. ◦ Verify the integrity and effectiveness of backup and disaster recovery processes. • Inventory Documentation: <ul style="list-style-type: none"> ◦ Create a detailed inventory of all hardware, software, and network assets. ◦ Maintain a record of configurations and licensing status for easy reference. • Recommendations Report: <ul style="list-style-type: none"> ◦ Provide a clear report with actionable recommendations to enhance performance, security, and scalability. ◦ Prioritize recommendations based on criticality, cost-effectiveness, and potential impact. 	<p>\$2,500</p>



Additional Charges	Cost
<p>1. Hardware Procurement & Configuration</p> <ul style="list-style-type: none"> • Purchase and configure high-quality systems from trusted vendors like HP, Dell, or Lenovo, based on the client’s specific use case and requirements. <p>2. Operating System Installation & Optimization</p> <ul style="list-style-type: none"> • Installation of the latest OS version with full driver setup, performance tuning, and system stability testing. <p>3. Data Migration & Backup</p> <ul style="list-style-type: none"> • Secure transfer of data from the old system, with full backups to ensure no data loss during the transition. <p>4. Software Installation & Licensing</p> <ul style="list-style-type: none"> • Installation and activation of required software, including office applications, security tools, and other client-specific programs. <p>5. Installation at User Desk</p> <ul style="list-style-type: none"> • Complete setup at the user’s desk, including connecting any existing or new monitors and peripherals for a seamless experience. 	<p>\$500 flat rate</p>
Special Projects	
<p>Unique initiatives or tasks that extend beyond the primary scope of work, requiring specialized expertise or additional resources. These projects may involve advanced technical implementations, custom solutions, or one-time engagements that aren’t covered under the standard service agreement.</p> <p>Examples :</p> <ul style="list-style-type: none"> • Major Network Infrastructure Upgrades • Data Center Migration • Enterprise Software Deployment • Comprehensive Security Overhaul • Disaster Recovery and Business Continuity Implementation • Wireless Network Expansion 	<p>Blended Rate \$150\hour</p>



8.0 Understanding of Requirements

LAN WAN Enterprise fully understands and complies with the requirements set forth by the Midway City Sanitary District for this proposal. We ensure that all proposals submitted to the district will be signed by an authorized representative of our company, signifying our agreement to all the conditions, instructions, descriptions, and specifications outlined in the RFP. We recognize the importance of adhering to these requirements and are committed to delivering a proposal that meets the City's expectations in every detail. Additionally, we acknowledge that any samples provided in support of our proposal will become the property of the City, and we are prepared to provide all necessary documentation and materials as part of our submission.

With extensive experience serving local government agencies across Southern California, LAN WAN Enterprise has developed a deep understanding of the unique needs and challenges faced by government agencies. Our proven track record includes successful collaborations with various city halls, police departments, and other public agencies, where we have delivered comprehensive IT solutions tailored to their specific requirements. Our expertise spans a wide range of services, from network management and cybersecurity to infrastructure upgrades and ongoing technical support. This experience positions us as a trusted partner capable of providing Midway City Sanitary District with the highest level of service and support.



9.0. Questions and Clarifications on the RFP

We have already submitted our questions regarding the RFP and have received all the necessary clarifications to ensure a clear and comprehensive proposal for the Midway City Sanitary District. This will enable us to address all requirements effectively and align our services with the City's expectations.

10.0 Professional Services Agreement

The Professional Services Agreement attached to the RFP aligns well with LAN WAN Enterprise's way of conducting business and is consistent with agreements we have successfully executed with other cities. We have reviewed the agreement thoroughly and have no comments or concerns at this time.

11.0 Insurance

Upon being awarded the agreement, LAN WAN Enterprise will fully comply with the insurance requirements outlined in Midway City Sanitary District's insurance requirement section. We will provide Certificates of Insurance evidencing the required coverage.



EXHIBIT A

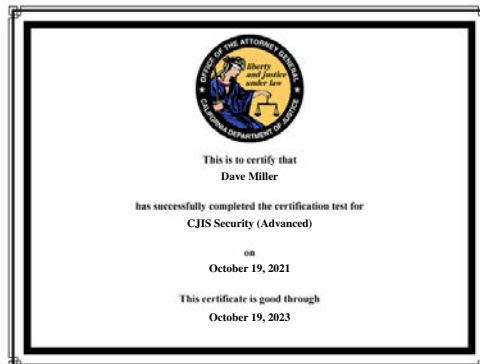
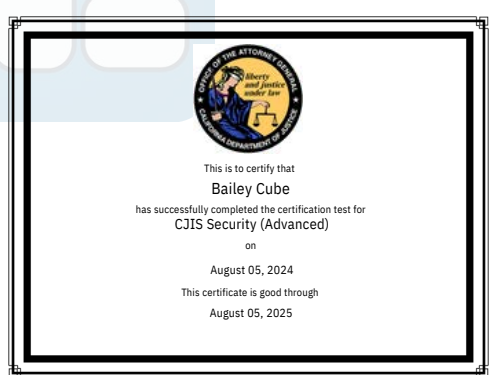
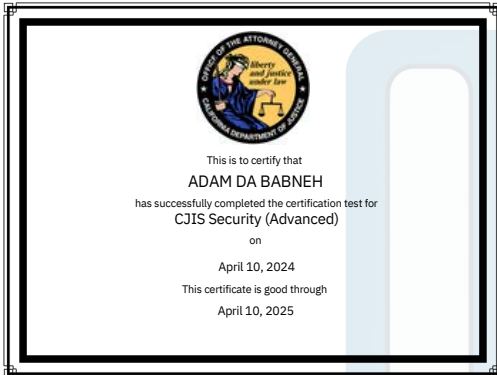
Exhibit A – Service Level Agreement

Support Type	Description	Response Time	Resolution Time
Critical Incidents	High-priority incidents that significantly impact operations and require immediate attention.	Within 1-2 hours	Within 2-4 hours
Urgent Issues	Problems that could disrupt normal business operations but are not immediately critical.	Within 2-4 hours	Within 4-6 hours
Routine Issues	Non-urgent issues that require attention but do not significantly affect daily operations.	Within 8 hours	Within 1 day
Low-Impact Tasks	Tasks that have minimal impact on business operations, such as scheduled maintenance.	N/A	Within 3-5 days of the scheduled start date



EXHIBIT B

California Law Enforcement Telecommunications System (CLETS) Certificates



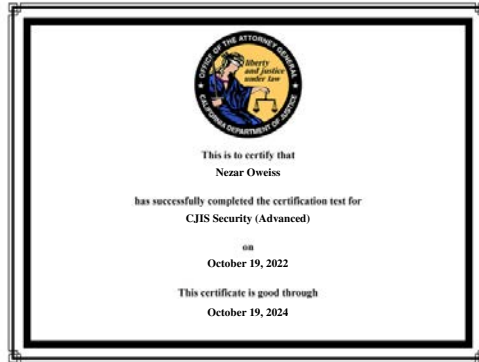
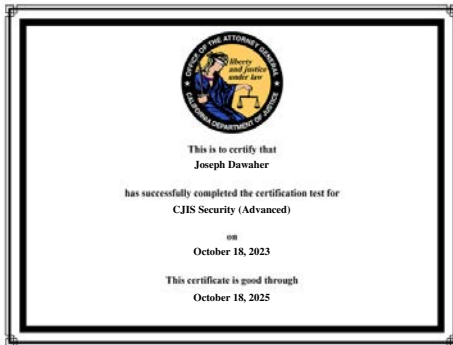
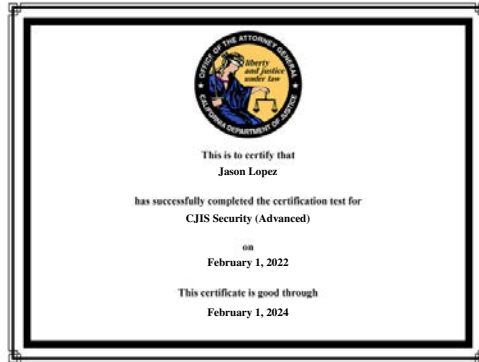




EXHIBIT Section C CMAS Certificate

Procurement Division
707 Third Street, 2nd Floor, MS #2-202
West Sacramento, CA 95605-2811

State of California

MULTIPLE AWARD SCHEDULE

NON-MANDATORY LAN WAN Enterprise, Inc.

CMAS NUMBER:	3-22-03-1083
SUPPLEMENT NUMBER:	1
CMAS TERM DATES:	3/29/2022 through 9/26/2029
EFFECTIVE DATE:	7/30/2024
CMAS CATEGORY:	Information Technology Goods and Services
APPLICABLE CMAS	March 1, 2023
TERMS & CONDITIONS:	State Agencies: See Purchasing Authority
MAXIMUM ORDER LIMIT:	Dollar Threshold provision
FOR USE BY:	Local Government Agencies: Unlimited
BASE SCHEDULE #:	State & Local Government Agencies
BASE SCHEDULE HOLDER:	47QTCA19D00MM
PROGRAM ANALYST	TD SYNnex Corporation
	Bryan Dugger
	bryan.dugger@dgs.ca.gov

This California Multiple Award Schedule (CMAS) provides for the purchase, warranty, and installation of hardware, hardware maintenance and repair services, software, software maintenance as a product, Infrastructure as a Service (IaaS), Software as a Service (SaaS), and other cloud computing services. (See page 3 for the restrictions applicable to this CMAS.)

This supplement is to extend this CMAS through 9/26/2029. In addition, this supplement replaces the existing CMAS. The most current Ordering Instructions and Special Provisions, CMAS Terms and Conditions, and products and/or services are included herein. All purchase orders issued by State agencies shall incorporate these Ordering Instructions and Special Provisions, and CMAS Terms and Conditions. Review these provisions carefully as they have changed.





EXHIBIT Section E



Procurement Division
707 Third Street, 2nd Floor, MS #2-202
West Sacramento, CA 95605-2811

State of California

MULTIPLE AWARD SCHEDULE

NON-MANDATORY LAN WAN Enterprise, Inc.

CMAS NUMBER:	3-23-05-1052
CMAS TERM DATES:	5/23/2023 through 8/22/2024
EFFECTIVE DATE:	5/23/2023
CMAS CATEGORY:	Information Technology Goods and Services
APPLICABLE CMAS	March 1, 2023
TERMS & CONDITIONS:	State Agencies: See Purchasing Authority
MAXIMUM ORDER LIMIT:	Dollar Threshold provision
FOR USE BY:	Local Government Agencies: Unlimited
BASE SCHEDULE #:	State & Local Government Agencies
BASE SCHEDULE HOLDER:	47QTCA19D00JN
PROGRAM ANALYST	Computech International, Inc.
	Bryan Dugger
	bryan.dugger@dgs.ca.gov

This California Multiple Award Schedule (CMAS) provides for the purchase, warranty, and installation of hardware, hardware maintenance and repair services, software, software maintenance as a product, and cloud computing services. (See page 3 for the restrictions applicable to this CMAS.)

NOTICE: Products and/or services on this CMAS may be available on a Mandatory State Contract. If this is the case, the use of this CMAS is restricted unless the State agency has an approved exemption as explained in the State Contract User Instructions. Information regarding State Contracts can be obtained at the: [State Contracts Index Listing](#). This requirement is not applicable to local government agencies.

Any reference to a specific manufacturer's or publisher's warranty or terms and conditions as shown in the base schedule are not applicable to this CMAS.





EXHIBIT Section E



Procurement Division
707 Third Street, 2nd Floor, MS #2-202
West Sacramento, CA 95605-2811

State of California

MULTIPLE AWARD SCHEDULE

NON-MANDATORY

LAN WAN Enterprise, Inc.

CMAS NUMBER:	3-24-01-1002
CMAS TERM DATES:	1/03/2024 through 5/20/2028
EFFECTIVE DATE:	1/03/2024
CMAS CATEGORY:	Information Technology Goods and Services
APPLICABLE CMAS	March 1, 2023
TERMS & CONDITIONS:	State Agencies: See Purchasing Authority
MAXIMUM ORDER LIMIT:	Dollar Threshold provision
FOR USE BY:	Local Government Agencies: Unlimited
BASE SCHEDULE #:	State & Local Government Agencies
BASE SCHEDULE HOLDER:	47QTCA18D00C3
PROGRAM ANALYST	Tera Consulting Inc.
	Bryan Dugger
	bryan.dugger@dgs.ca.gov

This California Multiple Award Schedule (CMAS) provides for the purchase, warranty, and installation of hardware, hardware maintenance and repair services, software, professional audio/video products, software maintenance as a product, Infrastructure as a Service (IaaS), Platform as a Service (PaaS), Software as a Service (SaaS), and other cloud computing services. (See page 4 for the restrictions applicable to this CMAS.)

NOTICE: Products and/or services on this CMAS may be available on a Mandatory State Contract. If this is the case, the use of this CMAS is restricted unless the State agency has an approved exemption as explained in the State Contract User Instructions. Information regarding State Contracts can be obtained at the: [State Contracts Index Listing](#). This requirement is not applicable to local government agencies.

Any reference to a specific manufacturer's or publisher's warranty or terms and conditions as shown in the base schedule are not applicable to this CMAS.





EXHIBIT Section E



EXHIBIT Section E

Procurement Division
707 Third Street, 2nd Floor, MS #2-202
West Sacramento, CA 95605-2811

State of California

MULTIPLE AWARD SCHEDULE

NON-MANDATORY LAN WAN Enterprise, Inc.

CMAS NUMBER:	3-24-02-1012
CMAS TERM DATES:	2/06/2024 through 8/21/2028
EFFECTIVE DATE:	2/06/2024
CMAS CATEGORY:	Information Technology Goods and Services
APPLICABLE CMAS	March 1, 2023
TERMS & CONDITIONS:	State Agencies: See Purchasing Authority
MAXIMUM ORDER LIMIT:	Dollar Threshold provision
FOR USE BY:	Local Government Agencies: Unlimited
BASE SCHEDULE #:	State & Local Government Agencies
BASE SCHEDULE HOLDER:	47QSWA18D008F
PROGRAM ANALYST	Carahsoft Technology Corp
	Bryan Dugger
	bryan.dugger@dgs.ca.gov

This California Multiple Award Schedule (CMAS) provides for the purchase and warranty of hardware, hardware maintenance and repair services, software, software maintenance as a product, electronic commerce and subscription services, and cloud computing services. (See page 3 for the specific brand and restrictions applicable to this CMAS.)

NOTICE: Products and/or services on this CMAS may be available on a Mandatory State Contract. If this is the case, the use of this CMAS is restricted unless the State agency has an approved exemption as explained in the State Contract User Instructions. Information regarding State Contracts can be obtained at the: [State Contracts Index Listing](#). This requirement is not applicable to local government agencies.

Any reference to a specific manufacturer's or publisher's warranty or terms and conditions as shown in the base schedule are not applicable to this CMAS.



EXHIBIT D C7 C10 CONTRACTOR LICENSES

- ▶ Only construction related civil judgments reported to CSLB are disclosed ([B&P 7071.17](#)).
- ▶ Arbitrations are not listed unless the contractor fails to comply with the terms.
- ▶ Due to workload, there may be relevant information that has not yet been entered into the board's license database.

Business Information

LAN WAN ENTERPRISE INC
17500 RED HILL STE 120
IRVINE, CA 92614
Business Phone Number:(949) 955-2451

Entity Corporation
Issue Date 03/15/2019
Expire Date 03/31/2025

License Status

This license is current and active.

All information below should be reviewed.

Classifications

- ▶ [C-7 - LOW VOLTAGE SYSTEMS](#)
- ▶ [C10 - ELECTRICAL](#)

Bonding Information

Contractor's Bond

This license filed a Contractor's Bond with [ASCOT INSURANCE COMPANY](#).

Bond Number: 2210003478

Bond Amount: \$25,000

Effective Date: 02/26/2024

[Contractor's Bond History](#)

Bond of Qualifying Individual

- ▶ This license filed Bond of Qualifying Individual number **100838752** for ELIAS HABIB TANNOUS in the amount of **\$25,000** with [AMERICAN CONTRACTORS INDEMNITY COMPANY](#).
Effective Date: 02/26/2024

- ▶ The qualifying individual ZOHAI MANOLI OWEIS certified that he/she owns 10 percent or more of the voting stock/membership interest of this company; therefore, the Bond of Qualifying Individual is not required.
Effective Date: 03/15/2019

Workers' Compensation

This license has workers compensation insurance with the [TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA](#)

Policy Number:4H533380

Effective Date: 08/19/2022

Expire Date: 08/19/2024

[Workers' Compensation History](#)

Other

▶ [Guides and Publications](#)

▶ [CSLB Laws and Regulations](#)

▶ [List of All CSLB Fees](#)

▶ [License Classifications](#)

▶ [Contractor Newsletter](#)

▶ [Application Status](#)

▶ [Application Status \(Secured\)](#)

▶ [Application Status by Personnel Name](#)

▶ [Application Status by Business Name](#)

▶ [CSLB Email Login](#)

Online Services





EXHIBIT E
Statement of Information



EXHIBIT F

References
Jessie Flores City Manager Phone. +1 760-246-2300 Ext 11184 Email: jflores@adelantoca.gov
Kevin Johnston Information Technology Manager kjohnston@yucaipa.gov City of Yucaipa (909) 797-2489 Ext. 271
Will Kaholokula Finance Director City of San Gabriel 425 South Mission Drive San Gabriel, California 91776 Phone: (626) 457-4610 wkaholokula@sgch.org
Michael B. O'Kelly City Manager - Bell Gardens mokelly@bellgardens.org (562) 806-7702
Chief Paul Camacho Bell Gardens Police Chief pcamacho@bgpd.org (562) 806-7600

AGENDA ITEM 9C

Date: November 19, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Milo Ebrahimi, P.E., District Engineer

Subject: Approve and Authorize the General Manager to Execute a Professional Services Agreement (PSA) with Navigating Preparedness Associates, LLC for Preparation of Local Hazard Mitigation Plan

BACKGROUND

In California, natural hazards are defined as wildfire, earthquake, drought, extreme weather, flooding, and impacts of climate change. While disasters cannot be prevented from occurring, their effects can be reduced or eliminated through a mitigation strategy that includes a well-organized public education and awareness effort, preparedness activities, and mitigation actions. For those hazards that cannot be fully mitigated, the community must be prepared to provide efficient and effective response and recovery. The Local Hazard Mitigation Plan (LHMP, Plan) outlines opportunities to increase Midway City Sanitary District (District)'s resiliency in the face of future natural hazards. The Plan will help the District to prepare and provide uninterrupted services during catastrophic events.

Natural hazards pose severe risk to people and property. They can cause death or injuries, cause significant damage to the community, businesses, public infrastructure and environment, and cost a lot in terms of response and recovery dollars, further contributing to economic loss.

The adoption of a LHMP is essential for eligibility for specific federal and state grants, particularly those aimed at enhancing community resilience to natural hazards. These grants can provide crucial funding for projects that reduce risk, improve preparedness, and support recovery efforts, helping communities build resilience against future disasters. Currently, the District does not have an LHMP in place, which limits its access to these funding opportunities. Developing and adopting an LHMP would not only allow the District to apply for valuable grant funding but also help it better protect residents, infrastructure, and services during emergencies.

DISCUSSION

On October 14, 2024, the District released an RFP seeking a qualified consultant to coordinate, facilitate, and prepare a Local Hazard Mitigation Plan (LHMP) for the District implementing regulations and guidance as they apply to Special Districts. The District received seven proposals, and Staff has completed its evaluations of the proposals.

According to the RFP, the evaluation criteria for the proposals was as follows:

1. Pricing and Cost (Maximum Score: 20 points)

2. Ability of the proposer to design an approach and work plan to meet the Project requirements, which will include an assessment of the overall quality of the proposal (Maximum Score: 20 points).
3. Ability of the Proposer to carry out and manage the Project, which includes an assessment of the past experience of the proposer in general (Maximum Score: 20 points).
4. Capabilities of the proposer and/or its proposed team, which includes an assessment of the capabilities of the proposer and individuals that will be engaged in the Project (Maximum Score: 20 points).
5. Willingness to comply with the proposed Agreement terms. Proposals will be rated based on the exceptions taken to the proposed Agreement (Maximum Score: 20 points).

The results of Staff’s evaluation are as follows:

Consultant Name	Total Points	Rank	Proposed Pricing
Navigating Preparedness Associates, LLC (NPA)	92	1	\$48,500
The Resiliency Initiative (TRI)	86	2	\$98,245
Focus Point Emergency Management Consulting Services (FPEM)	78	3	\$50,000
IEM International, Inc (IEM)	77	4	\$107,578
Risk Management Professionals (RMP)	76	5	\$124,877
Witt O’Brien’s, LLC (WOB)	75	6	\$97,740
A-Tech Consulting, Inc (EHS)	73	7	\$92,405

Based on its evaluation, Staff is recommending that the Board select Navigating Preparedness Associates, LLC (NPA) to prepare the LHMP. NPA has extensive experience preparing LHMPs for other jurisdictions and proposed the lowest price (\$48,500). During the past five years, NPA has prepared new/updated LHMPs for several California local agencies, including, but not limited to, Oro Loma Sanitary District, Valley County Water District, and the Cities of Pittsburg, Mission Viejo, Ontario, San Bernardino, Lynwood, Victorville, Hesperia, Hawthorne, and Artesia. In its proposal, NPA acknowledged the importance having an approved LHMP will have for the District in its application federal grants to improve its operations, such as the short-term goal to create a microgrid at its headquarters and electric vehicle chargers for use by District’s fleet, ensuring that the headquarters can continue operations during prolonged electrical outages.

The process for developing the Local Hazard Mitigation Plan (LHMP) involves several stages, each with a specific timeline and criteria to ensure a comprehensive approach. The award of the agreement is anticipated on November 19, 2024, with work projected to start on December 2, 2024. Key criteria include conducting a thorough planning process, hazard identification, and risk assessment to understand potential threats and vulnerabilities. Based on these findings, a mitigation strategy will be crafted to reduce risks effectively. Plan preparation and drafting will follow, incorporating detailed insights and strategies. It is anticipated that a public draft of the LHMP will be available by March 31, 2025, allowing for community input and review. Public outreach, meetings, and public comment will take place during this time to engage the community and gather valuable feedback. Once the draft is ready, it will be submitted to the California Office

of Emergency Services (Cal OES). Following Cal OES review, the plan will be submitted to FEMA for Plan review and approval, with the completion date depending on FEMA's approval timeline. Finally, the Plan will go to the Board for approval. The entire process is anticipated to take approximately seven (7) months.

FISCAL IMPACT

The total estimated fiscal impact for the scope of work is \$48,500.

STAFF RECOMMENDATION

Staff recommends that the Board of Directors approve the attached PSA with Navigating Preparedness Associates, LLC for preparation of a Local Hazard Mitigation Plan in an amount not to exceed \$48,500; and authorize the General Manager to make minor modifications to the Agreement, as needed, and to execute the Agreement on behalf of the District.

ATTACHMENTS

1. PSA: Navigating Preparedness Associates, LLC Proposal

PROFESSIONAL SERVICES AGREEMENT
Navigating Preparedness Associates, LLC
(Development of Local Hazard Mitigation Plan)

THIS PROFESSIONAL SERVICES AGREEMENT (hereinafter “Agreement”) is made this 19th day of November, 2024, by the MIDWAY CITY SANITARY DISTRICT, a public entity (hereinafter referred to as “DISTRICT”) and NAVIGATING PREPAREDNESS ASSOCIATES, LLC, a California limited liability company, (hereinafter referred to as “CONTRACTOR”). DISTRICT and CONTRACTOR are sometimes hereinafter individually referred to as “Party” and are hereinafter collectively referred to as the “Parties.”

RECITALS

The following recitals are a substantive part of this Agreement:

- A. This Agreement is entered into pursuant to pursuant to Midway City Sanitary District Board authorization dated November 19, 2024.
- B. DISTRICT has determined there is a need to retain the professional services of a qualified company to manage, coordinate, prepare, and administer the development of a Local Hazard Mitigation Plan (LHMP) for the DISTRICT and to obtain approval of the Plan by the Federal Emergency Management Agency (FEMA) (the “Project”).
- C. In response to DISTRICT’s Request for Proposals, dated October 14, 2024, CONTRACTOR has submitted to DISTRICT a proposal, dated November 1, 2024, to provide DISTRICT with professional services for the Project pursuant to this Agreement (the “Proposal”).
- D. CONTRACTOR represents and maintains that it is uniquely qualified by virtue of its experience, training, education, reputation, and technical expertise to provide professional services to DISTRICT for the Project and has agreed to provide such services as provided herein. DISTRICT does not have the personnel, training, certification, or specialized technical expertise necessary to perform the work and services contracted for herein.
- E. DISTRICT desires to retain CONTRACTOR to provide professional services for the Project.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Term and Termination.** This Agreement shall commence on November 20, 2024, and shall continue until completion of the Services provided for under this Agreement, unless earlier terminated by DISTRICT. This Agreement may be terminated by DISTRICT without cause upon thirty (30) days written notice. In such event, the DISTRICT will compensate CONTRACTOR for work performed to date in accordance with Section 3.4 of this Agreement. CONTRACTOR is

required to present evidence to support performed work completion. CONTRACTOR is required to present evidence to support performed work completion.

2. Services to be Provided and Standard of Performance.

2.1 Scope of Services. In compliance with all terms and conditions of this Agreement, CONTRACTOR agrees to provide and perform professional services for the Project as set forth in (a) the Proposal, which is attached hereto as Exhibit “A” and incorporated herein by reference, and (b) the Scope of Work included in the Request for Proposals, which is attached hereto as Exhibit “B” and incorporated herein by reference (hereinafter referred to as the “Scope of Services,” the “Services” or “Work”). As a material inducement to DISTRICT entering into this Agreement, CONTRACTOR acknowledges and understands that the Services and Work contracted for under this Agreement require specialized skills and abilities and that, consistent with this understanding, CONTRACTOR’s Services and Work shall be performed in a skillful and competent manner and shall be held to a standard of quality and workmanship prevalent in the industry for such Services and Work and with the standards recognized as being employed by professionals in the same discipline in the State of California. CONTRACTOR represents and warrants that it is skilled in the professional discipline necessary to perform the Services and Work and that it holds the necessary skills and abilities to satisfy the standard of work as set forth in this Agreement. CONTRACTOR represents and warrants that it and all of its employees, subconsultants and subcontractors providing any Work or Services under this Agreement shall have sufficient skill and experience to perform the Services and Work assigned to them. All Services and Work shall be completed to the reasonable satisfaction of DISTRICT. The Proposal, the Request for Proposals, and this Agreement do not guarantee any specific amount of work.

2.2 Contract Documents. The Agreement between the Parties shall consist of the following: (1) this Agreement; and (2) CONTRACTOR’s Proposal; and (3) the Scope of Work included in the Request for Proposals, which shall all be referred to collectively hereinafter as the “Contract Documents.” The CONTRACTOR’s Proposal is attached hereto as Exhibit “A” and is hereby incorporated by reference and made a part of this Agreement. The Scope of Work is attached hereto as Exhibit “B” and is hereby incorporated herein by reference. All provisions of the Contract Documents shall be binding on the Parties. Should any conflict or inconsistency exist in the Contract Documents, the conflict or inconsistency shall be resolved by applying the provisions in the highest priority document, which shall be determined in the following order of priority: (1st) the terms and conditions of this Agreement; (2nd) the provisions of the CONTRACTOR’s Proposal (Exhibit “A”); and (3rd) the provisions of the Scope of Work (Exhibit “B”).

2.3 Compliance with Law. CONTRACTOR shall comply at all times during the term of this Agreement with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government, including without limitation all applicable fair labor standards and Cal/OSHA requirements. CONTRACTOR shall keep itself fully informed of and in compliance with all local, state, and federal laws, rules, and regulations in any manner affecting the performance of the Work and Services, including all Cal/OSHA requirements, and shall give all notices required by law. CONTRACTOR shall be liable for all violations of such laws and regulations in connection with performing the Work and Services. If CONTRACTOR performs

any Work or Services in violation of such laws, rules, and regulations, CONTRACTOR shall be solely responsible for all penalties and costs arising therefrom. CONTRACTOR shall defend, indemnify, and hold DISTRICT, its officials, officers, employees, agents and volunteers, free and harmless from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules, or regulations.

2.4 Licenses, Permits, and Fees. Prior to performing any Services or Work hereunder CONTRACTOR shall obtain all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession and perform the Work and Services required by this Agreement. CONTRACTOR represents and warrants to DISTRICT that CONTRACTOR shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement and any extension, any license, permit, qualification, or approval that is legally required for CONTRACTOR to perform the Work and Services under this Agreement. CONTRACTOR shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the CONTRACTOR's performance of the Work and Services required by this Agreement, and shall defend, indemnify, and hold DISTRICT, its officials, officers, employees, agents and volunteers, free and harmless from and against any claim or liability arising out of any failure or alleged failure to obtain such license, permits, and approvals of whatever nature that are legally required to perform the Work or Services.

2.5 Familiarity with Work. By executing this Agreement, CONTRACTOR warrants that: (a) it has thoroughly investigated and considered the Scope of Work or Services to be performed; (b) it has carefully considered how the Services should be performed and has carefully examined the location or locations at or with respect to where such Services or Work is to be performed and is aware of all conditions there; and (c) it understands the facilities, difficulties, and restrictions of attending performance of the Services under this Agreement. If the Services involve work upon any site, CONTRACTOR represents and maintains that CONTRACTOR has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of any Services hereunder. Should CONTRACTOR discover any latent or unknown conditions materially differing from those inherent in the Work or as represented by DISTRICT, it shall immediately inform DISTRICT of this and shall not proceed, except at CONTRACTOR's risk, until written instructions are received from DISTRICT.

2.6 Care of Work. CONTRACTOR shall adopt reasonable methods during the term of the Agreement to furnish continuous protection to the Work and the equipment, materials, papers, documents, plans, studies, and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the Work by DISTRICT, except such losses or damages as may be caused by DISTRICT's own negligence.

2.7 Further Responsibilities of Parties. Both Parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both Parties agree to act in good faith to execute all instruments, prepare all documents, and take all actions as may be reasonably necessary to carry out the purposes of this Agreement.

3. Compensation.

3.1 Contract Amount. For the Services and Work rendered pursuant to this Agreement, CONTRACTOR shall be compensated by DISTRICT for the services performed, including authorized reimbursements, in accordance with the professional rates and charges set forth in the Proposal (Exhibit “A”), but not exceeding the total maximum contract amount of **Forty Eight Thousand Five Hundred Dollars (\$48,500.00)** (hereinafter referred to as the “Maximum Contract Amount”). The method of compensation shall be as set forth in Exhibit “A”. The Maximum Contract Amount shall include the attendance of CONTRACTOR at all Project meetings deemed reasonably necessary by the City. CONTRACTOR shall not be entitled to any increase in the Maximum Contract Amount for attending these meetings. Compensation for necessary expenditures for reproduction costs, telephone expenses, and transportation expenses must be approved in advance by the DISTRICT and will only be approved if such expenses are also specified in the Proposal. The maximum amount of DISTRICT’s payment obligation under this Agreement is the amount specified in this section.

3.2 Payment. In any month in which CONTRACTOR wishes to receive payment, no later than the tenth (10th) working day of such month, CONTRACTOR shall submit to DISTRICT, in a form approved by the DISTRICT’s Finance Director, an invoice for services rendered prior to the date of the invoice. Such requests shall be based upon the amount and value of the services performed by CONTRACTOR and accompanied by such reporting data including an itemized breakdown of all costs incurred and tasks performed during the period covered by the invoice, as may be required by the DISTRICT. DISTRICT shall use reasonable efforts to make payments to CONTRACTOR within forty-five (45) days after receipt of the invoice or a soon thereafter as is reasonably practical.

3.3 Changes in Scope. In the event any change or changes in the Scope of Services is requested by DISTRICT and agreed to by CONTRACTOR, the Parties shall execute a written amendment to this Agreement, setting forth with particularity all terms of such amendment, including, but not limited to, any additional fees. An amendment may be entered into: (a) to provide for revisions or modifications to documents or other work product or work when documents or other work product or work is required by the enactment or revision of law subsequent to the preparation of any documents, other work product, or work; and/or (b) to provide for additional services not included in this Agreement or not customarily furnished in accordance with generally accepted practice in CONTRACTOR’s profession.

3.4 Termination. DISTRICT shall have the right to terminate this Agreement, without cause, by giving thirty (30) days written notice of termination. If the Agreement is terminated by DISTRICT, then the provisions of paragraph 3 would apply to that portion of the work completed.

3.5 Appropriations. This Agreement is subject to and contingent upon funds being appropriated therefore by the Midway DISTRICT Sanitary District Board of Directors for each fiscal year covered by the term of this Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to DISTRICT.

4. Insurance requirements.

4.1 Compliance with Insurance Requirements. CONTRACTOR shall obtain, maintain, and keep in full force and effect during the term of this Agreement, at its sole cost and expense, and in a form and content satisfactory to DISTRICT, all insurance required under this section. CONTRACTOR shall not commence any Work or Services under this Agreement unless and until it has provided evidence satisfactory to DISTRICT that it has secured all insurance required under this section. If CONTRACTOR's existing insurance policies do not meet the insurance requirements set forth herein, CONTRACTOR agrees to amend, supplement or endorse the policies to do so.

4.2 Types of Insurance Required. As a condition precedent to the effectiveness of this Agreement, and without limiting the indemnity provisions set forth in this Agreement, unless a waiver or modification is approved by DISTRICT's General Manager, CONTRACTOR shall obtain and maintain in full force and effect during the term of this Agreement, including any extension thereof, the following policies of insurance:

A. **Commercial General Liability Insurance.** CONTRACTOR shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Commercial General Liability Insurance written on an occurrence basis with limits of at least two million dollars (\$2,000,000.00) per occurrence, two million dollars (\$2,000,000.00) in the general aggregate, and two million dollars (\$2,000,000.00) for products and completed operations. Defense costs shall be paid in addition to the limits. The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to the Agreement.

B. **Automobile Liability Insurance.** CONTRACTOR shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Automobile Liability Insurance written on a per occurrence basis with limits of at least one million dollars (\$1,000,000.00) combined limit for each occurrence covering bodily injury and property damage. The policy shall specifically include coverage for owned, non-owned, leased, and hired automobiles.

C. **Workers' Compensation Insurance.** CONTRACTOR shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Workers' Compensation Insurance in at least the minimum statutory amounts, and in compliance with all other statutory requirements, as required by the State of California. CONTRACTOR agrees to waive and obtain endorsements from its workers' compensation insurer waiving all subrogation rights under its workers' compensation insurance policy against the DISTRICT, its officials, officers, employees, agents and volunteers, and to require each of its subconsultants and subcontractors, if any, to do likewise under their workers' compensation insurance policies. CONTRACTOR shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Employer's Liability Insurance written on a per occurrence basis with limits of at least one million dollars (\$1,000,000.00) per accident for bodily injury or disease.

D. **Professional Liability (Errors & Omissions) Insurance.** CONTRACTOR shall obtain and maintain in full force and effect throughout the term of this Agreement, a policy

of Professional Liability or Errors and Omissions Insurance appropriate to CONTRACTOR's profession with limits of at least two million dollars (\$2,000,000.00). Covered professional services shall specifically include all Work or Services to be performed under the Agreement and delete any exclusions that may potentially affect the Work or Services to be performed under this Agreement. If the policy of insurance is written on a "claims-made" basis, the DISTRICT may require that the policy be continued in full force and effect at all times during the term of this Agreement, and for a period of three (3) years from the date of the completion of the Work or Services provided hereunder. In the event of termination of the policy during this period, CONTRACTOR shall obtain continuing insurance coverage for the prior acts or omissions of CONTRACTOR during the course of performing the Work or Services under the terms of this Agreement. The coverage shall be evidenced by either a new policy evidencing no gap in coverage, or by obtaining separate extended "tail" coverage with the present or new carrier or other insurance arrangements providing for complete coverage, either of which shall be subject to the written approval by the DISTRICT. In the event the policy of insurance is written on an "occurrence" basis, the policy shall be continued in full force and effect during the term of this Agreement, or until completion of the Work or Services provided for in this Agreement, whichever is later. In the event of termination of the policy during this period, new coverage shall immediately be obtained to ensure coverage during the entire course of performing the Work or Services under the terms of this Agreement.

4.3 Acceptability of Insurers. Insurance required by this section shall be issued by a licensed company authorized to transact business in the state by the Department of Insurance for the State of California with a current rating of A-VII or better (if an admitted carrier), or a current rating of A:X or better (if offered by a non-admitted insurer listed on the State of California List of Approved Surplus Lines Insurers (LASLI), by the latest edition of A.M. Best's Key Rating Guide, except that the DISTRICT will accept workers' compensation insurance from the State Compensation Fund. In the event the DISTRICT determines that the Work or Services to be performed under this Agreement creates an increased or decreased risk of loss to the DISTRICT, the CONTRACTOR agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the DISTRICT. CONTRACTOR shall immediately substitute any insurer whose A.M. Best rating drops below the levels specified herein.

4.4 Insurance Endorsements. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the DISTRICT for written approval. Required insurance policies shall contain the following provisions, or CONTRACTOR shall provide endorsements on forms approved by the DISTRICT to add the following provisions to the insurance policies:

A. The policy or policies of insurance required by this section for Commercial General Liability and Automobile Liability Insurance shall be endorsed to provide the following:

1. Additional Insured: The DISTRICT, its officials, officers, employees, agents and volunteers, shall be additional insureds with regard to liability and defense of suits or claims arising out of the performance of the Agreement; and

2. Additional Insured Endorsements: Additional insured endorsements shall not (1) be restricted to “ongoing operations”, (2) exclude “contractual liability”, (3) restrict coverage to “sole” liability of CONTRACTOR, or (4) contain any other exclusions contrary to the Agreement; and, the coverage shall contain no special limitations on the scope of protection afforded to additional insureds.

3. Notice: The policy or policies of insurance required by this section for Commercial General Liability and Automobile Liability Insurance shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or modified, or reduced in coverage or in limits, except after thirty (30) days prior written notice by First Class U.S. Mail, postage-prepaid, has been provided to the DISTRICT. Notwithstanding the foregoing, if coverage is to be suspended, voided, or cancelled because of CONTRACTOR’s failure to pay the insurance premium, the notice provided to DISTRICT shall be by ten (10) days prior written notice.

B. For all policies of Commercial General Liability Insurance, CONTRACTOR shall provide endorsements for ongoing operations and completed operations to effectuate this requirement.

4.5 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be approved in writing by the DISTRICT in advance and shall protect the DISTRICT, its officials, officers, employees, agents and volunteers, in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

4.6 Primary and Non-Contributing Insurance. All policies of Commercial General Liability Insurance and Automobile Liability Insurance shall be primary and any other insurance, deductible, or self-insurance maintained by the DISTRICT, its officials, officers, employees, agents or volunteers, shall not contribute with this primary insurance. Policies shall contain or be endorsed to contain such provisions.

4.7 Waiver of Subrogation. All policies of Commercial General Liability and Automobile Liability Insurance shall contain or be endorsed to waive subrogation against the DISTRICT, its officials, officers, employees, agents and volunteers, or shall specifically allow CONTRACTOR or others providing insurance evidence in compliance with the requirements set forth in this section to waive their right to recovery prior to a loss. CONTRACTOR hereby agrees to waive its own right of recovery against the DISTRICT, its officials, officers, employees, agents and volunteers, and CONTRACTOR hereby agrees to require similar written express waivers and insurance clauses from each of its subconsultants or subcontractors.

4.8 Evidence of Coverage. Concurrently with the execution of the Agreement, CONTRACTOR shall deliver certificates of insurance together with original endorsements affecting each of the insurance policies required by this section. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the DISTRICT for written approval. The certificates of insurance and original endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy,

evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the DISTRICT. If such coverage is cancelled or reduced and not replaced immediately so as to avoid a lapse in the required coverage, CONTRACTOR shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the DISTRICT evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. CONTRACTOR shall promptly furnish, at DISTRICT's request, copies of actual policies including all declaration pages, endorsements, exclusions and any other policy documents DISTRICT requires to verify coverage.

4.9 Requirements Not Limiting. Requirement of specific coverage or minimum limits contained in this section are not intended as a limitation on coverage, limits, or other requirements, or a waiver of any coverage normally provided by any insurance. Nothing in this section shall be construed as limiting in any way the indemnification provision contained in this Agreement, or the extent to which CONTRACTOR may be held responsible for payments of damages to persons or property.

4.10 Enforcement of Agreement (Non-Estoppel). CONTRACTOR acknowledges and agrees that actual or alleged failure on the part of the DISTRICT to inform CONTRACTOR of any non-compliance with any of the insurance requirements set forth in this section imposes no additional obligation on the DISTRICT nor does it waive any rights hereunder.

4.11 Insurance for Subcontractors. CONTRACTOR shall either: (1) include all subconsultants or subcontractors engaged in any Work or Services for CONTRACTOR relating to this Agreement as additional named insureds under the CONTRACTOR's insurance policies, or (2) CONTRACTOR shall be responsible for causing its subconsultants or subcontractors to procure and maintain the appropriate insurance in compliance with the terms of the insurance requirements set forth in this section, including adding the DISTRICT, its officials, officers, employees, agents and volunteers, as additional insureds to their respective policies. All policies of Commercial General Liability Insurance provided by CONTRACTOR's subconsultants or subcontractors performing any Work or Services related to this Agreement shall be endorsed to name the DISTRICT, its officials, officers, employees, agents and volunteers, as additional insureds. CONTRACTOR shall not allow any subconsultant or subcontractor to commence any Work or Services relating to this Agreement unless and until it has provided evidence satisfactory to DISTRICT that the subconsultant or subcontractor has secured all insurance required under this section.

4.12 Other Insurance Requirements. The following terms and conditions shall apply to the insurance policies required of CONTRACTOR pursuant to this Agreement:

A. CONTRACTOR shall provide immediate written notice to DISTRICT if (1) any of the insurance policies required herein are terminated, cancelled or suspended, (2) the limits of any of the insurance coverages required herein are reduced, or (3) the deductible or self-insured retention is increased.

B. All insurance coverage and limits provided by CONTRACTOR and available or applicable to this Agreement are intended to apply to each insured, including

additional insureds, against whom a claim is made or suit is brought to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the DISTRICT or its operations shall limit the application of such insurance coverage.

C. None of the insurance coverages required herein will be in compliance with the requirements of this section if they include any limiting endorsement which substantially impairs the coverages set forth herein (e.g., elimination of contractual liability or reduction of discovery period), unless the endorsement has first been submitted to the DISTRICT and approved in writing.

D. Certificates of insurance will not be accepted in lieu of required endorsements, and submittal of certificates without required endorsements may delay commencement of the Project. It is CONTRACTOR's obligation to ensure timely compliance with all insurance submittal requirements as provided herein.

E. CONTRACTOR agrees to ensure that subconsultants and subcontractors, if any, and any other parties involved with the Project who are brought onto or involved in the Project by CONTRACTOR, provide the same minimum insurance coverage required of CONTRACTOR. CONTRACTOR agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. CONTRACTOR agrees that upon request, all agreements with subcontractors and others engaged in the Project will be submitted to the DISTRICT for review.

F. CONTRACTOR agrees to provide immediate written notice to DISTRICT of any claim, demand or loss against CONTRACTOR arising out of the Work or Services performed under this Agreement and for any other claim, demand or loss which may reduce the insurance available to pay claims, demands or losses arising out of this Agreement.

5. **Non-Liability of Officials and Employees of the District.** No official or employee of DISTRICT shall be personally liable to CONTRACTOR in the event of any default or breach by DISTRICT, or for any amount which may become due to CONTRACTOR.

6. **Conflict of Interest.** No officer or employee of the DISTRICT shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his or her financial interest or the financial interest of any corporation, partnership, or association in which they are, directly or indirectly, interested in violation of any state statute or regulation. CONTRACTOR represents and warrants that it has not paid or given and will not pay or give any third party any money or other consideration in exchange for obtaining this Agreement.

7. **Covenant Against Discrimination.** In connection with its performance under this Agreement, CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, disability, medical condition, religion, color, sex, sexual orientation, age, marital status, ancestry, or national origin. CONTRACTOR shall ensure that applicants are employed, and that employees are treated during their employment, without regard to their race, disability, medical condition, religion, color, sex, sexual orientation, age, marital

status, ancestry, or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

8. Independent Contractor; PERS Eligibility & Indemnification.

(a) The legal relationship between the Parties is that of an independent contractor, and nothing herein shall be deemed to make CONTRACTOR a DISTRICT employee. During the performance of this Agreement, CONTRACTOR and its officers, employees, and agents shall act in an independent capacity and shall not act as DISTRICT officers or employees. CONTRACTOR will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. The personnel performing the Services under this Agreement on behalf of CONTRACTOR shall at all times be under CONTRACTOR's exclusive direction and control. Neither DISTRICT nor any of its officials, officers, employees, agents or volunteers shall have control over the conduct of CONTRACTOR or any of its officers, employees, or agents, except as set forth in this Agreement. CONTRACTOR, its officers, employees or agents, shall not maintain a permanent office or fixed business location at DISTRICT's offices. DISTRICT shall have no voice in the selection, discharge, supervision, or control of CONTRACTOR's officers, employees, representatives or agents or in fixing their number, compensation, or hours of service. CONTRACTOR shall pay all wages, salaries, and other amounts due its employees in connection with the performance of Services under this Agreement and shall be responsible for all reports and obligations respecting them, including but not limited to social security income tax withholding, unemployment compensation, workers' compensation, and other similar matters. DISTRICT shall not in any way or for any purpose be deemed to be a partner of CONTRACTOR in its business or otherwise a joint venturer or a member of any joint enterprise with CONTRACTOR.

(b) CONTRACTOR shall not incur or have the power to incur any debt, obligation, or liability against DISTRICT, or bind DISTRICT in any manner.

(c) No DISTRICT benefits shall be available to CONTRACTOR, its officers, employees, or agents, in connection with the performance of any Work or Services under this Agreement. Except for professional fees paid to CONTRACTOR as provided for in this Agreement, DISTRICT shall not pay salaries, wages, or other compensation to CONTRACTOR for the performance of any Work or Services under this Agreement. DISTRICT shall not be liable for compensation or indemnification to CONTRACTOR, its officers, employees, or agents, for injury or sickness arising out of performing any Work or Services hereunder. If for any reason any court or governmental agency determines that the DISTRICT has financial obligations, other than pursuant to Section 3 herein, of any nature relating to salary, taxes, or benefits of CONTRACTOR's officers, employees, representatives, agents, or subconsultants or subcontractors, CONTRACTOR shall defend, indemnify, and hold harmless DISTRICT from and against all such financial obligations.

(d) Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, CONTRACTOR and any of its employees, agents, and subcontractors providing any Work or Services under this Agreement shall not qualify for or become entitled to,

and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by DISTRICT, including but not limited to eligibility to enroll in the California Public Employee Retirement System (PERS) as an employee of DISTRICT and entitlement to any contribution to be paid by DISTRICT for employer contribution and/or employee contributions for PERS benefits. In the event that CONTRACTOR or any employee, agent, or subcontractor of CONTRACTOR providing any Work or Services under this Agreement claims or is determined by a court of competent jurisdiction or PERS to be eligible for enrollment in PERS as an employee of the DISTRICT, CONTRACTOR shall indemnify, defend, and hold harmless DISTRICT for the payment of any employee and/or employer contributions for PERS benefits on behalf of CONTRACTOR or its employees, agents or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of the DISTRICT.

9. Notices. All notices shall be personally delivered or mailed to the below listed address, or to such other addresses as may be designated by written notice, and shall be deemed received upon the earlier of (i) the date of delivery to the address of the person to receive such notice if delivered personally or by messenger or overnight courier; or (ii) five (5) business days after the date of posting by the United States Post Office if by mail. These addresses shall be used for delivery of service of process.

(CONTRACTOR) Navigating Preparedness Associates, LLC
Attn: Lee Rosenberg, Managing Director
3245 Driftwood Drive
Lafayette, CA 95549

(DISTRICT) Midway City Sanitary District
Attention: General Manager
14451 Cedarwood Street
Westminster, CA 92863

(WITH COPY TO) Midway City Sanitary District
Attention: General Counsel
14451 Cedarwood Street
Westminster, CA 92863

10. Schedule of Performance.

10.1 Time of Essence. Time is of the essence in the performance of this Agreement. The time for completion of the Services to be performed by CONTRACTOR is an essential condition of this Agreement. CONTRACTOR shall prosecute regularly and diligently the Services according to the agreed upon Schedule of Performance.

10.2 Schedule of Performance. CONTRACTOR shall commence the Services pursuant to this Agreement upon receipt of a written notice to proceed, or on each task order, if applicable, and shall perform all Services within the time period(s) established in the Schedule of Performance set forth in the Proposal (Exhibit "A"), or otherwise mutually agreed upon by the

Parties. When requested by CONTRACTOR, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the DISTRICT; however, the DISTRICT shall not be obligated to grant such an extension.

10.3 Force Majeure. The time period(s) specified in the Schedule of Performance for performance of the Services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the CONTRACTOR (financial inability excepted), including, but not limited to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, pandemics, quarantine restrictions, riots, strikes, freight embargoes, wars, and/or acts of any governmental agency, including the DISTRICT, if CONTRACTOR, within ten (10) days of the commencement of such delay, notifies the DISTRICT's General Manager in writing of the causes of the delay. The General Manager shall ascertain the facts and the extent of delay, and extend the time for performing the Services for the period of the enforced delay when and if in the judgment of the General Manager such delay is justified. The General Manager's determination shall be final and conclusive upon the Parties to this Agreement. In no event shall CONTRACTOR be entitled to recover damages against the DISTRICT for any delay in the performance of this Agreement, however caused, CONTRACTOR's sole remedy being extension of the Agreement pursuant to this section.

11. Limitations Upon Subcontracting and Assignment. The experience, knowledge, capability, and reputation of CONTRACTOR, its principals and employees were a substantial inducement for DISTRICT to enter into this Agreement. CONTRACTOR shall not contract with any other entity to perform the services required without written approval of the DISTRICT. This Agreement may not be assigned voluntarily or by operation of law, without the prior written approval of DISTRICT. If CONTRACTOR is permitted to subcontract any part of this Agreement, CONTRACTOR shall be responsible to DISTRICT for the acts and omissions of its subcontractor as it is for persons directly employed. Nothing contained in this Agreement shall create any contractual relationship between any subcontractor and DISTRICT. All persons engaged in the work will be considered employees of CONTRACTOR. DISTRICT will deal directly with and will make all payments to CONTRACTOR.

12. Indemnification. CONTRACTOR agrees to protect, defend, and hold harmless DISTRICT and its elective or appointive boards, officers, agents, and employees from any and all third party claims, liabilities, expenses, or damages of any nature, including attorneys' fees, for bodily injury or death of any person, or damage to property, or interference with use of property, to the extent caused by negligent acts, errors or omissions or willful misconduct by CONTRACTOR, CONTRACTOR's agents, officers, employees, subcontractors, or independent contractors hired by CONTRACTOR. The exception to CONTRACTOR's responsibility to protect, defend, and hold harmless DISTRICT, is due to the active negligence of DISTRICT, or any of its elective or appointive boards, officers, agents, or employees.

This hold harmless agreement shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by CONTRACTOR.

13. Reports.

(a) Each and every report, draft, work product, map, record and other document, hereinafter collectively referred to as "Report", reproduced, prepared or caused to be prepared by CONTRACTOR pursuant to or in connection with this Agreement, shall be the exclusive property of DISTRICT. CONTRACTOR shall not copyright any Report required by this Agreement and shall execute appropriate documents to assign to District the copyright to Reports created pursuant to this Agreement. Any Report, information and data acquired or required by this Agreement shall become the property of DISTRICT, and all publication rights are reserved to DISTRICT.

(b) All Reports prepared by CONTRACTOR may be used by DISTRICT in execution or implementation of:

- (1) The original Project for which CONTRACTOR was hired;
- (2) Completion of the original Project by others;
- (3) Subsequent additions to the original Project; and/or
- (4) Other DISTRICT projects as appropriate.

(c) No Report, information or other data given to or prepared or assembled by CONTRACTOR pursuant to this Agreement shall be made available to any individual or firm by CONTRACTOR without prior approval by District.

14. Reserved.

15. Waiver. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought. Any waiver by the Parties of any default or breach of any covenant, condition, or term contained in this Agreement, shall not be construed to be a waiver of any subsequent or other default or breach, nor shall failure by the Parties to require exact, full, and complete compliance with any of the covenants, conditions, or terms contained in this Agreement be construed as changing the terms of this Agreement in any manner or preventing the Parties from enforcing the full provisions hereof.

16. Rights and Remedies Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

17. Legal Action. In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

18. California Law; Venue. This Agreement shall be construed in accordance with the laws of the State of California. Any action commenced about this Agreement shall be filed in the central branch of the Orange County Superior Court.

19. Interpretation. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties. The terms of this Agreement are contractual and the result of negotiation between the Parties. Accordingly, any rule of construction of contracts (including, without limitation, California Civil Code Section 1654) that ambiguities are to be construed against the drafting party, shall not be employed in the interpretation of this Agreement. The caption headings of the various sections and paragraphs of this Agreement are for convenience and identification purposes only and shall not be deemed to limit, expand, or define the contents of the respective sections or paragraphs.

20. Entire Agreement; Modification. This Agreement constitutes the entire agreement between the parties and supersedes any previous agreements, oral or written. This Agreement may be modified only by subsequent mutual written agreement executed by DISTRICT and CONTRACTOR.

21. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be determined to be invalid by a final judgment or decree of a court of competent jurisdiction, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of that provision, or the remaining provisions of this Agreement unless the invalid provision is so material that its invalidity deprives either Party of the basic benefit of their bargain or renders this Agreement meaningless.

22. Corporate Authority. Each of the undersigned represents and warrants that (i) the Party for which he/she is executing this Agreement is duly authorized and existing, (ii) he/she is duly authorized to execute and deliver this Agreement on behalf of the Party for which he/she is signing, (iii) by so executing this Agreement, the Party for which he/she is signing is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the Party for which he/she is signing is bound.

23. Counterparts; Facsimile Signatures. This Agreement may be executed in counterparts, all of which shall constitute the same Agreement, notwithstanding that all parties to this Agreement are not signatory to the same counterpart. Signature and acknowledgement pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one (1) original document. These counterparts may be transmitted by facsimile or Portable Document Format (PDF), with the originals to be thereafter provided by the Parties. Such facsimiles or electronic copies shall be deemed original signatures.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS THEREOF, these parties have executed this Agreement as of the date first written above.

“DISTRICT”

MIDWAY DISTRICT SANITARY
DISTRICT, a public entity

By: _____
Robert Housley
General Manager

APPROVED AS TO FORM:

James H. Eggart,
General Counsel

“CONTRACTOR”

NAVIGATING PREPAREDNESS
ASSOCIATES, LLC, a California limited
liability company

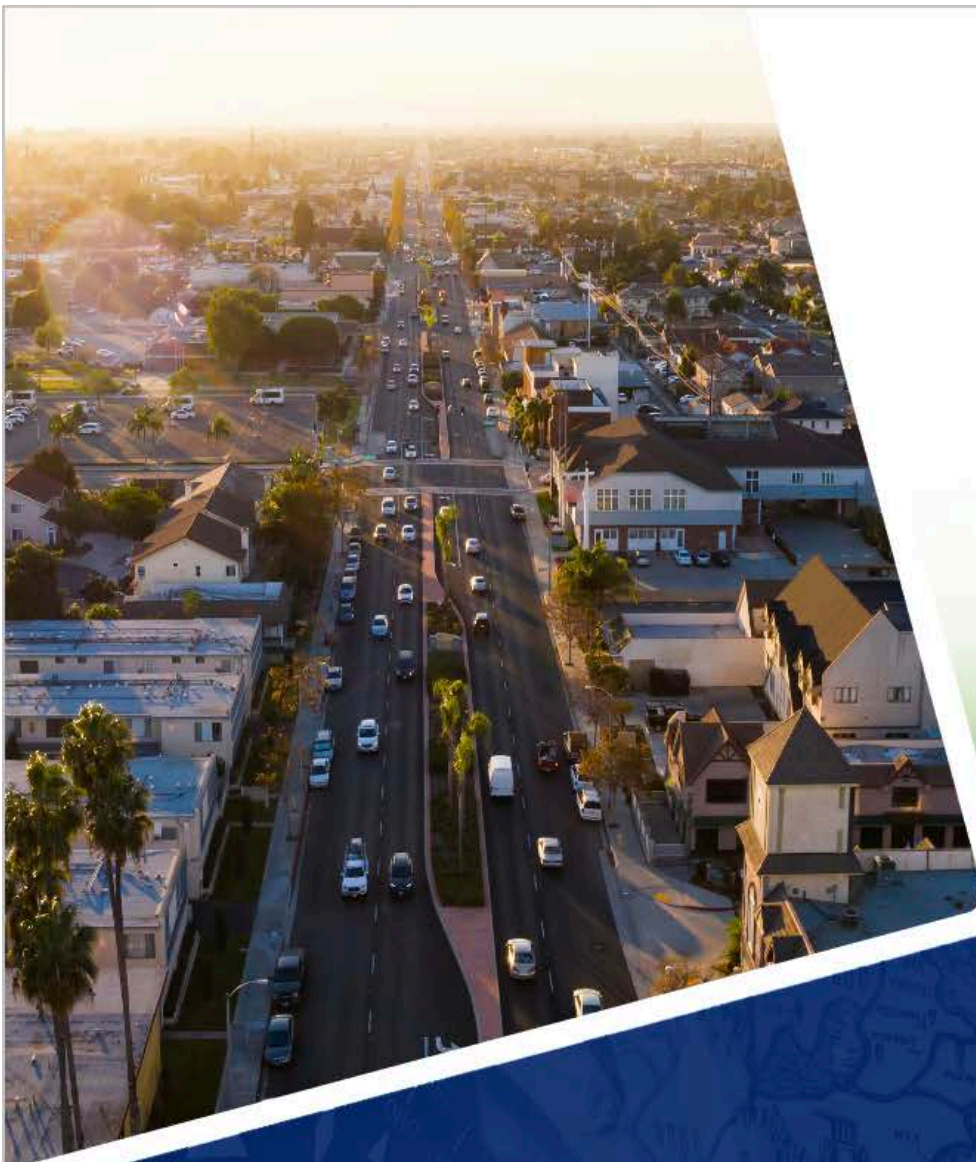
By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Tax ID No. _____

If CONTRACTOR is a corporation, a
Corporate Resolution and/or Corporate Seal
is required. If a partnership, Statement of
Partnership must be submitted to District.

**EXHIBIT "A" TO AGREEMENT
CONTRACTOR'S PROPOSAL**



Proposal for Local Hazard Mitigation Plan (LHMP) Development

NOVEMBER 1, 2024

Prepared for: Midway City Sanitary District
Prepared by: Navigating Preparedness, LLC.



Navigating Preparedness Associates
"Charting a Clear Course"

COVER LETTER

November 1, 2024

Milo Ebrahimi, P.E., District Engineer
Midway City Sanitary District
14451 Cedarwood Street
Westminster, CA 92683
(714) 893-3553

Subject: Proposal in Response to Request for Proposals for Local Hazard Mitigation Plan

Dear Mr. Ebrahimi,

Navigating Preparedness Associates (NPA) is pleased to provide this proposal to Midway City Sanitary District (District) to assist in the Local Hazard Mitigation Plan (LHMP) development. NPA is a Limited Liability Corporation (LLC) established in March 2014. We are a California Certified Service-Disabled Veteran-Owned Small Business Enterprise (SDVBE), CA Department of General Services (DGS) #1770371.

Legal Name:	Navigating Preparedness Associates, LLC
Mailing, and Physical Address:	3245 Driftwood Dr. Lafayette, CA. 94549
Remit-to Billing Address:	PO BOX 6917 Moraga, CA 94570-6917
Phone, Fax, and Website:	925-381-0583 www.navigatingpreparedness.com
Organization Type:	Limited Liability Corporation
Federal I.D. Number:	46-5133958
SAMS Number:	7G2B8
List of Corporate Officers with Titles:	Lee Rosenberg, Managing Director
Person to Receive Notices and Represent the Company:	Lee Rosenberg, Managing Director lee.rosenberg@navigatingpreparedness.com

Additional information about NPA can be found at: <https://www.navigatingpreparedness.com/>.

Over the past 10 years, NPA has supported development of and updates to dozens of LHMPs for special districts, tribes, cities, and counties. Our clients have developed a deep sense of trust in our ability to

provide them with exceptional value and have rewarded us with multiple subsequent projects. NPA provides a focused approach to LHMP projects. We assign senior, experienced consultants at extremely competitive billing rates. We can produce a superior product in less time, with a smaller budget and better results than many larger firms. Our planners thoroughly understand Title 44 CFR §201.6, DMA 2000, and the Federal Emergency Management Agency (FEMA) Local Hazard Mitigation Plan Review Guide and approval process.

NPA recommends that developing the LHMP be organized into seven phases to meet the planning requirements of the Local Hazard Mitigation Plan Review Guide. NPA will work with the assigned Midway City Project Manager and the Hazard Mitigation Planning Team to make sure the phases are accomplished with little disruption to staff's day to day duties, while accommodating the needs of the District. To that end, we offer the following advantages:

- A **California based project team** with unsurpassed experience in mitigation program development. We have developed, reviewed, and revised dozens of LHMPs throughout California. We have supported numerous cities in Los Angeles County to update their LHMPs. In addition to LHMP planning efforts, NPA recently assisted Valley County Water District with a FEMA grant application that resulted in funding for an \$11M reservoir mitigation project.
- A team with experience working with the sanitary districts on emergency planning projects including LHMPs. Within the past five years, we have supported the following utilities that operate wastewater systems:
 - Oro Loma Sanitary District
 - Castro Valley Sanitary District
 - East Valley Water District
 - Inland Empire Utility Agency
- A project manager who is a **Certified Emergency Manager (CEM)**. Lee Rosenberg, Managing Director of NPA, will serve as the Project Manager. He is a retired U.S. Navy Captain and a former FEMA Region IX federal coordinating officer. He has led support for LHMP projects for Tulare County, Mendocino County, Ventura County, Coconino and Gila Counties in Arizona, Clark County Nevada, and the cities of Artesia, Lynwood, Hawthorne, Pittsburg, Victorville, and many others.

Sincerely,



Lee Rosenberg, CEM, Managing Director

TABLE OF CONTENTS

Cover Letter.....	2
A. Approach	6
B. Description of Firm, Management and Team Members.....	7
Previous Performance.....	7
Present Workload	7
Ability to Perform Scope of Services.....	8
Stability of Firm.....	8
Project Organization Chart.....	8
C. Qualifications	10
Current Projects & Past Performance	11
D. Scope of Work	14
Project Management	14
Phase 1: Planning Process.....	17
Phase 2: Hazard Identification	18
Phase 3: Risk Assessment	18
Phase 4: Mitigation Strategy Development	19
Phase 5: Plan Preparation and Drafting	20
Phase 6: Public Outreach, Meetings, and Public Comment	20
Phase 7: Plan Approval and Adoption	20
E. Proposed Project Schedule	22
F. Proposed Pricing	23
Earned Value Management	23
G. References, Related Experience and Examples of Work	24
Client 1: East Valley Water District.....	24
Client 2: Valley County Water District.....	25
Client 3: Valley Water (Santa Clara Valley Water District)	26
H. Sample Report.....	27



Appendices28

Appendix A – Résumés..... 28

Lee Rosenberg, CEM – Project Manager 29

Francisco Soto – Senior Planner..... 31

Dennis Larson – GIS Planner33

Janlia Riley – QA/QC.....34

A. APPROACH

NPA fully understands the needs of the District to develop an LHMP for approval by FEMA that is in full conformance with the requirements of the Disaster Mitigation Act of 2000, 44 CFR 201 (Planning) and Part 206 (Projects), and in title 2 of the Code of Federal Regulations (2 CFR), Part 200 (Uniform Administrative Requirements) and the FEMA Local Mitigation Planning Handbook May 2023. We acknowledge the importance this will have for the District in its application federal grants to improve its operations, such as the short-term goal to create a microgrid at its headquarters as well as electric vehicle chargers for use by District’s fleet, ensuring that the headquarters can continue operations during prolonged electrical outages.

Our team understands that LHMPs require an extensive and closely reviewed planning process that must include participation by internal and external stakeholders, businesses, and community members. We propose to develop the LHMP using seven phases to ensure the plan is developed to meet the expectations of the Federal Emergency Management Agency, Midway City, and community members. Figure 1 depicts the seven phases that will be used in the development of the LHMP.

Figure 1: Seven Phases to LHMP Development



A detailed outline of how NPA will approach the seven phases can be in section **D. Scope of Work**.

B. DESCRIPTION OF FIRM, MANAGEMENT AND TEAM MEMBERS

NPA is a Limited Liability Corporation (LLC) established in March 2014 and has been in business continuously for over 10 years. We are a California Certified Service-Disabled Veteran-Owned Small Business Enterprise (SDVBE), CA Department of General Services (DGS) #1770371. Our first client was the Port of Oakland, followed by the San Francisco Bay Ferry. From a boutique firm providing maritime homeland security and disaster response operational planning, NPA has diversified to deliver a broad range of emergency preparedness solutions but specializing in Local Hazard Mitigation Plans. We have grown year over year since inception. Financial information is available upon request.

Key Information about Navigating Preparedness can be found below.

Legal Name:	Navigating Preparedness Associates, LLC
Physical:	3245 Driftwood Dr. Lafayette, CA. 94549
Phone:	(925) 381-0583
Website:	www.navigatingpreparedness.com
Federal I.D. Number:	46-5133958
DUNS Number:	079966673
Person to Represent the Company:	Lee Rosenberg, Managing Director lee.rosenberg@navigatingpreparedness.com

Previous Performance

Prior to establishing NPA, Mr. Rosenberg managed United Research Services (URS) Corporation's Environmental Services Department in their Oakland office for over six (6) years. He supervised over 40 staff including LHMP planners and a large GIS group. While at URS, he was project manager for LHMP updates for Mendocino County, Mariposa County, Solano County, Ventura County, Clark County, NV., and the Territory of Guam.

Since Establishing NPA, we have delivered numerous LHMPs for clients. We have successfully led the development of over twenty (20) LHMPs over the past nine (9) years. We have supported other consulting firms with many additional plans. Section 4 of the proposal lists various LHMP projects our firm has led.

Present Workload

NPA has several projects under contract including LHMP support for the Cities of Pasadena and San Leandro and for the San Lorenzo Valley Water District. We also have projects providing support to San

Bernardino Valley Municipal Water District and East Valley Water District to meet compliance requirements for the American Water Infrastructure Act. NPA has sufficient resources to support these projects due to our deep bench of associates. All our current contracts are projected to complete on time.

Ability to Perform Scope of Services

NPA is confident that it can complete the Scope of Services described in the proposal. Although we have proposed a sub-consultant to assist, NPA has the staff to complete the scope of work if unforeseen circumstances arise.

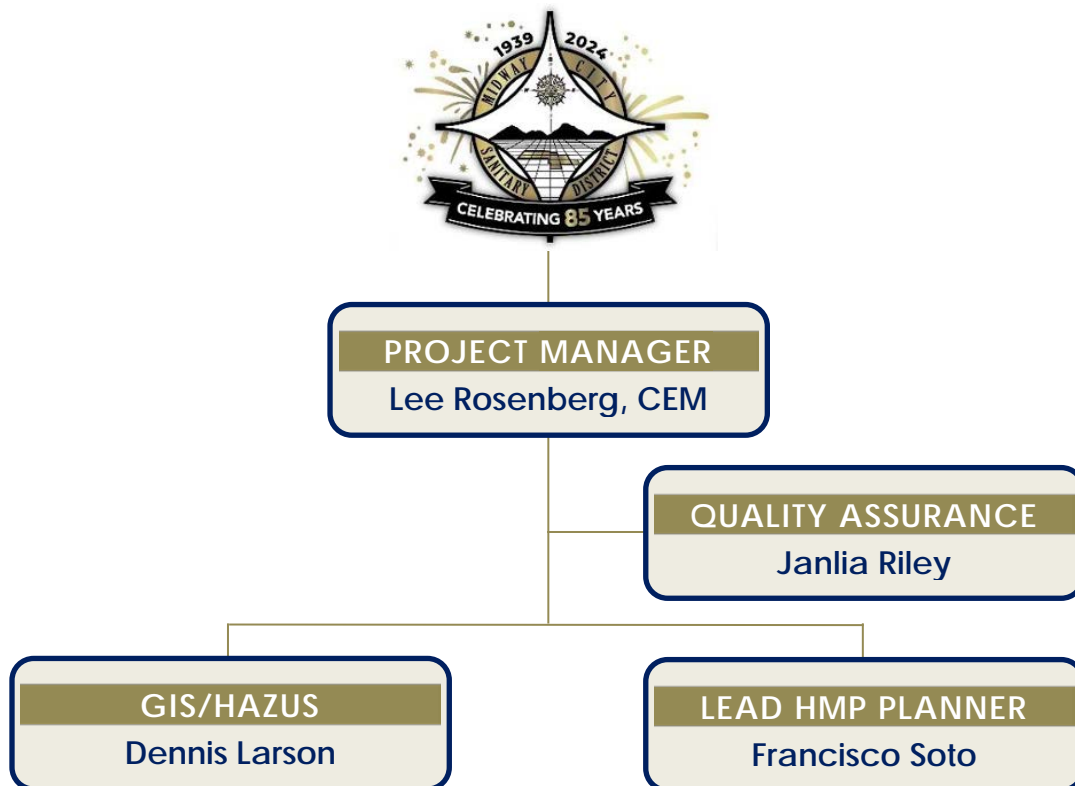
Stability of Firm

NPA was established in March 2014 and has been in business continuously for over ten years. We have grown year over year since inception. Financial information is available upon request.

Project Organization Chart

NPA proposes the team organization displayed in **Figure 1** below.

Figure 1: Proposed Project Team



Experience summary of NPA's Key Project Staff members:

- **Lee Rosenberg (CEM):** Is the owner of NPA. He was the project manager for numerous large projects including leading the effort to develop the Northern California Catastrophic Earthquake Concept Plan. This \$8.5M project resulted in five (5) regional plans and 68 individual plans for 12 counties and two (2) cities. The project included over \$300K of initial Hazus modeling. He is a former FEMA Region IX Federal Coordinating Officer. As a retired Navy Captain, he possesses superb organizational skills and an ability to lead staff to achieve results. Mr. Rosenberg has been in leadership positions for over 30 years. He is a combat veteran of Operations Desert Storm.
- **Francisco Soto (MS):** Has over 10 years of Emergency Management experience. He was the Project Manager for various emergency planning, training, and exercise projects. Mr. Soto worked for a consulting firm where he led the development of the LHMP for the cities of Hermosa Beach, Manhattan Beach, and Palos Verdes Estates, in addition to various city emergency plans and exercises. He has also worked for the Municipal Water District of Orange County where he was the Project Manager for their LHMP and Emergency Operations Plan (EOP) update. Mr. Soto worked for the City of Long Beach where he developed preparedness and mitigation plans, including the City LHMP, EOP, Family Assistance Center Plan, Emergency Communications Plan.
- **Dennis Larson:** Mr. Larson has 25 years of experience in public agency program management, policy research, and technical analysis. His specialties include long-range planning, hazard mitigation, climate resiliency, Geographic Information Services, and economic impact analyses. Dennis helps public agencies and private firms develop and evaluate policies, programs, and strategies with measurable performance impacts.
- **Janlia Riley:** Ms. Riley has more than 20 years of professional experience in providing document design, quality assurance, marketing and outreach, and graphic design. She has led as well as supported numerous projects working with leadership and community groups with a focus on equity, inclusivity, and Section 508 compliance.

Copies of brief résumés for NPA's key staff are provided in **Appendix A - Résumés**.

C. QUALIFICATIONS

The NPA team has delivered numerous LHMPs and plan updates and is currently working with the City of Pasadena to update their HMPs. Should NPA be awarded this contract, all NPA staff and team listed will be available to support the District to complete this project. **Table 2** below contains a partial list of completed, FEMA approved LHMPs our staff has supported.

Table 2: NPA Staff Past LHMP Projects

Year Completed	Client	Project Description
2023/2018	City of Pittsburg	LHMP Update
2023	City of Mission Viejo	LHMP Update
2022	City of Ontario	LHMP Update
2022	Oro Loma Sanitary District	New LHMP
2022	City of San Bernardino	LHMP Update
2021	Valley County Water District	New LHMP
2021	City of Lynwood	LHMP Update
2021	City of Victorville	LHMP Update
2021	City of Hesperia	LHMP Update
2020	City of Hawthorne	LHMP Update
2020	City of Artesia	LHMP Update
2018	Tulare County	LHMP Update
2018	City of Vernon	LHMP Update
2018	City of Hermosa Beach	New LHMP
2016	Water Emergency Transportation Authority	New LHMP
2016	Coconino County, AZ	LHMP Update
2015	Gila County, AZ	LHMP Update

Over the past years, NPA has developed a close relationship with Cal OES and FEMA's mitigation plan review teams. If approved by the client, we will work directly with Cal OES staff to correct minor discrepancies (often no more than adding a sentence) in a draft LHMP immediately after being informed. This eliminates the need for Cal OES to provide a formal letter to the client and serves to expedite the approval process.

NPA's clients have received positive feedback from FEMA during reviews of previously submitted LHMPs. These include:

- City of Pittsburg (2023)
 - The plan did a great job providing a detailed hazard mitigation plan description in table format on page 2 (Table 1-1). This provides a great general overview of what the reader can expect to gain from each section.
 - Great job listing the HMP Planning team names and organizations. This is key when identifying accountability and implementing mitigation actions.
 - Thank you for providing a table that details the degree of risk for hazard identification.
 - Great job detailing where data was collected in Section 5.2 on page 108.
 - Excellent work listing the critical facilities, category, and site purpose in Table 5-3 on page 109.
 - Awesome way to detail the 2017 Mitigation Action Status in table format on page 116. Providing the information in table format helps break up the paragraph sections of the document.
- Valley County Water District (2021)
 - A public survey is an easy, unconventional way to solicit public input for the planning process. The plan also identifies additional methods utilized to encourage the public to participate in the planning process.
 - The plan includes a surplus of supporting documentation of the planning process.
 - Each section of the capability assessment was related back to the mitigation strategy and how it will help further mitigation progress within the planning area.
 - It is great to see the opportunity for expansion addressed for every planning and regulatory capability.

Current Projects & Past Performance

NPA staff have supported LHMP projects for over 15 years. Our proposed project manager, Lee Rosenberg, has led LHMP updates for multiple counties, cities and special districts. He is currently supporting an update for the Contra Costa County multi-jurisdiction LHMP.

Mr. Rosenberg is supported by staff that includes Francisco Soto, Dennis Larson, and Janlia Riley. These staff have worked together in California for over 10 years. They understand wastewater infrastructure and the impacts that can result from natural and human cause hazards.

NPA has **current** contracts with the following California government agencies. For the projects noted below, Lee Rosenberg, CEM, is the project manager and Francisco Soto is the lead or support planner.

- **Inland Empire Utility Agency** – Emergency Program assessment and training program development. NPA is supporting a review of the utility’s preparedness programs/guidance and providing a plan to deliver training to improve emergency response processes.
- **Contra Costa Health Department** – Health Care Coalition preparedness program support. NPA is currently creating a new governance document and strategic plan for the county department of health.
- **Valley Water** – Dam emergency action plans (EAP) update. NPA is working to update EAPs for multiple, high hazard dams.
- **City of Pittsburg Emergency Operations Plan Update** – NPA was hired to conduct the update to the 2018 Emergency Operations Plan to include the incorporation of lessons learned from the COVID-19 pandemic and previous tabletop exercises.
- **City of Pasadena** – LHMP update
- **San Lorenzo Valley Water District** – New LHMP

Customer Service: NPA offers unmatched customer service. We are available when you need us. We don't over promise or under deliver. We are compassionate to the needs of our clients.

NPA teams past projects include:

- **Cal Water Service** – NPA developed an Emergency Action Plan for Bear Gulch Dam, the delivered a TTX to review the plan with downstream stakeholders.
- **Valley County Water District** – NPA updated the LHMP. Upon completion, NPA supported a hazard mitigation grant application that resulted in an award of \$9.2M to build 2 new steel reservoirs.
- **Municipal Water District of Orange County** – NPA staff developed the District’s first Emergency Operations Plan and Annexes which included supporting 34 water and wastewater districts. The plan included various Hazard Specific Annexes, including a Communications and Financial Cost Recovery Annex.
- **Santa Barbara County Emergency Operations Plan and Financial Cost Recovery Annex** – NPA recently concluded a project to update the County’s Emergency Operations Plan and Annexes. The project was completed in a condensed timeline to meet the County’s grant requirements.
- **City of Long Beach Crisis Communications Plan Development** – The Plan details how the City will communicate crisis information to City employees, external organizations, and the public in a timely and effective manner during large scale emergencies.
- **San Francisco Water Emergency Transportation Authority (WETA)** – On-call services. NPA is under a multiyear contract to provide emergency preparedness consulting and EOC response

support. Past projects completed for WETA include updating the EOP and Emergency Response Plan.

- **City of Fairfield EOP Update and Tabletop Exercise** – The EOP was recently adopted by the City Council.
- **City of Pittsburg (California) EOP Development** – This new EOP was approved by the City Council in December 2018. The project to update the EOP was a sole-source award based on the quality of completing the Pittsburg local hazard mitigation plan.
- **City of Redwood City EOP Update and EOC Training** – The revised EOP was recently reviewed during a city senior staff tabletop exercise and has been adopted.
- **Marin County Department of Health and Human Services** – NPA designed and delivered the Statewide Medical Health Exercise. This function exercise was conducted in the County EOC evaluated a mass casualty response.
- **Bay Area Air Quality Management District** – NPA developed the first EOP for a California air quality management district. The EOP addresses air quality alerts and advisories, field-testing and reporting protocols, staff safety and public information processes.
- **Sonoma County Department of Emergency Management** – NPA designed and delivered a series of community fire evacuation exercises that evaluated community readiness, alert and warning processes, evacuation routing and public information management.

NPA staff have decades of experience delivering county and city emergency preparedness programs, as well as city, county, and special district LHMPs. We have provided wrap-around support to assess preparedness and response processes and provide suggestions for improvement. NPA is prepared to deliver an updated LHMP for the City that exceeds all expectations.

D. SCOPE OF WORK

Project Management

NPA employs a systematic and comprehensive project management process for the entire project. Project management runs throughout the entire program and will apply to each task in an individually tailored approach. NPA employs a systematic project management process to achieve success.

Our first step is to develop a project management plan that details the timing of task deliverables, the review process, and responsible individuals. To support the project plan, we propose bi-weekly calls between the City project manager and our project manager to discuss progress and address any concerns that may arise. We will also provide monthly project management reports to the Planning Team to provide details of accomplished work, pending action items, and project challenges.

Project management consists of the following activities:

Project Management Plan

NPA will develop a project management plan that clearly defines the methods for project execution and coordination. This plan will include an **operations plan**, **communications plan**, and a **QA/QC plan** and will address the following items:

- An achievable, realistic schedule for each task and a means for proactively addressing potential delays. We understand the project must be completed no later than June 2023.
- Detailed task schedules that identify the critical paths
- A task-specific organization chart that defines the key positions and an effective staffing plan that assigns the right staff to each project task

At the start of the project, the Project Manager, Lee Rosenberg of NPA will develop a project road map for the project.

Budget

Upon the Notice to Proceed (NTP), NPA will develop a plan to monitor the project budget and schedule. NPA will use earned value management (EVM) techniques for measuring project performance and progress in an objective manner. EVM provides the capability to combine measurements of the project management triangle: scope, time, and costs in a single integrated system. It delivers accurate forecasts of potential project performance problems to support effective cost control.

The project budget will:

1. *List project and task numbers*
2. *List number of hours budgeted for each task*
3. *List the budgeted expenses for each task*
4. *Identify any limitations or specific requirements relating to travel*

We will include a detailed estimate of progress made during each reporting period in the monthly status report. If we find that the EVM indicators have been compromised, the Project Manager and Task Leaders will take corrective measures to adjust resources, as necessary. If there is a change in scope, we will closely communicate any issues with the City's Project Manager and work together to mitigate impacts.

NPA has never exceeded the budget for a project or asked for supplementary funds unless the client requested additional work and the scope and cost were agreed upon.

NPA has never exceeded the allotted budget on any previous project. Costs only change if a supplementary scope of work is added to the contract and agreed to prior to starting additional work.

Detailed Work Plan

Our detailed work plan will include task definition, key project milestones and deliverables. We will develop a work plan for each task in our approach which is contained below.

Document Production

To produce deliverables, we will meet the quality of the City's documentation standards and will confirm the compatibility of software requirements. We will:

- Confirm written, presentation, and drawing document requirements.
- Identify software for use on the project and validation requirements.

Project Technical Requirements

The NPA team will perform all services in compliance with any regulatory or policy requirements. We will address the following:

- Client Directives
- 44 CFR, Part 201, Section 201.6
- FEMA - Local Mitigation Planning Policy Guide FP 206-21-0002 – April 2022
- Local Mitigation Plan Review Tool with High Hazard Potential Dams
- 2023 State of California Hazard Mitigation Plan
- NPA team and industry best practices

Risk Management Plan

Our team will manage risk by verifying that project deliverables and supporting documentation are complete and understandable, conform to applicable and reasonable standards relative to their intended purpose, and meet client requirements.

Risk Management Plan features:

1. *Identify critical risks which may impact successful project delivery*
2. *Develop a risk response strategy (avoid, transfer, mitigate or accept)*
3. *Assign action items and track each risk*

Communications Plan

We recognize that effective communication is critical to the successful delivery of any project. To that end, Lee Rosenberg of NPA will be the primary point-of-contact with City staff. Unless otherwise requested by the City, we will hold monthly meetings with the client and select staff to discuss project status, potential project constraints, and opportunities in addition to agenda items dealing with project schedule, budget status, and potential scope creep. At the beginning of the project, we will:

- Confirm the individual(s) who will coordinate all communication from the client.
- Identify the project team members who are authorized to submit requests for data, meetings, or other information.
- Describe how communication records shall be prepared and maintained.
- Identify confidentiality requirements and restrictions.

Quality Assurance / Control Plan

Although all team members are cognizant and responsible for the quality of their work, we will ensure that the City's quality standards are met by assigning a Quality Control manager.

- **Project Planning Review:** The PM will schedule a planning review with the City project manager to discuss and verify that contractual, business, and management issues have been prepared and planned for prior to beginning project execution.
- **Risk Assessment:** Risk assessments will be performed from the project development stage through the full execution of the project. Mitigation plans are developed and reviewed with senior management for projects with identified elevated risks.
- **QC Checking:** The document originator and document checker will work together to verify the accuracy and completeness of written material, calculations, spreadsheets, and drawings.
- **QC Reviews:** QC reviews are integral components of project activities as follows:

Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction and skillful execution; it represents the wise choice of many alternatives.

1. Conducted by experienced personnel who are not otherwise involved in producing the documents to provide impartial assessments.
 2. Originator reviews the comments and makes necessary changes and additions to the original document.
 3. QC Reviewer reviews the revised document and discusses comment resolutions with the Originator and/or PM.
 4. PM reviews the QC review comments and revised document.
- **Project Reviews:** Project reviews occur throughout project execution to facilitate communication between the PM and the project team. The status of the project is discussed along with areas where actions are required.

Phase 1: Planning Process

Planning Team Development – NPA in conjunction with the District Project Manager, will develop a Hazard Mitigation Planning Team (HMPT) which will consist of District staff, staff from local, state, and federal agencies, and community representatives that encompass the whole community approach to planning. We will guide the HMPT through the planning process to ensure the objectives of the LHMP are met.

Planning Process Documentation – NPA will prepare, organize, and maintain documentation that memorializes the entire planning process, informs the public and stakeholders of the overall approach, and serves as permanent record as to the plans development, public involvement, and decisions made. NPA understands the importance of ensuring all documentation is collected and available for submission to Cal OES and FEMA to ensure grant funding.

Public Outreach Strategy – NPA will develop and implement a public outreach strategy which conforms to the statutory requirements of the Code of Federal Regulations 44 CFR 201.6, the requirements of FEMA Local Mitigation Plan Guidelines, and the Community Rating System (CRS) program.

Document, Evaluate, and Incorporate Input – As data is gathered, conclusions are reached, or recommendations are created, NPA will develop detailed notes and a comments matrix to catalog all input received from the Planning Team, County, and community members. NPA will ensure all relevant input is incorporated, fill in gaps, ensure consistency, and perform quality control/assurance checks.

Public Outreach Workshops – NPA will facilitate a minimum of two public outreach workshops that will focus on educating the public about the LHMP development process and identifying community concerns. This will provide an opportunity for the public to interact with the LHMP Planning Team, introduce the public to the progress and outcomes of the LHMP planning process, review outcomes, and function as a public commenting tool. NPA will develop social media content to inform the community about plan development, and a press release for public comment period.

Board of Directors Presentations (2) – Similar to the Public Outreach Workshops, NPA will present the plan to the District Board of Directors to provide another avenue to obtain feedback from the Board and the public.

County-wide Participation – During the planning process, and while the planning team is being developed, NPA and the Planning Team will identify neighboring communities, local and regional agencies involved in hazard mitigation activities, agencies that have authority to regulate development, and others with interested in reviewing and providing input to the plan to ensure they are provided an opportunity to provide input.

Project Management – NPA employs a systematic and comprehensive project management process for the entire project. At the start of the project NPA will develop a project workplan and operations road map. This will include project/task timeline, milestones, detailed budget, and accounting procedures.

Phase 2: Hazard Identification

NPA will review County and State resources and work with the planning team to Identify hazards which will include a description and prioritization of the hazards that have occurred or have the potential to occur within the San Lorenzo Valley Water District’s jurisdiction.

Hazard Identification and Profiles – The Hazard Identification and Profiles section will provide a description and prioritization of the hazards that have occurred or have the possibility to impact within the District’s boundaries. The hazards will be ranked using the Calculated Priority Risk Index (CPRI) which examines four criteria for each hazard (probability, magnitude/severity, warning time, and duration) to determine how each hazard can impact the District. NPA along with the HMPT will review the identified hazards to ensure prioritization is accurate and identify additional hazards that may be of concern.

Phase 3: Risk Assessment

Hazard Mapping – Using the best available data, the risk assessment will include hazard and infrastructure maps that will be provided by NPA that delineate areas affected by hazards and identify locations of local assets. NPA will take the existing data and ensure new developments and infrastructure are overlaid with new hazard maps. The geographic information data will comprise a comprehensive inventory for use in developing map data layers of the following items relative to the multiple hazard area: Operational and Public Buildings, Critical Facilities and Infrastructure, and Maps of location of Parcels, Structures, Land Use, and Population.

Vulnerability Assessment – Based on the profiled hazards and the hazard mapping, NPA will develop an overview of the District’s vulnerability to specific hazards and will create Digital maps and GIS data to identify local assets that are located within known hazard areas. HAZUS will be used to model losses as appropriate. Depending on the data available, the vulnerability assessment will include:

- Types and numbers of buildings, infrastructure, and critical facilities located within the planning area and within identified hazard areas.
- Potential economic losses from identified hazards will be estimated through the process that utilizes HAZUS-MH or GIS analysis of County Assessor’s data with hazard locations.
- Description of land uses and development trends to advise future land use decisions.

Capability Assessment – A capability assessment will be conducted that will inventory those existing plans, policies, and procedures that the District has in place to reduce the effect of hazards. This will include protective measures under the National Flood Insurance Program (NFIP), building codes, zoning ordinances, completed or ongoing mitigation projects, mitigation policies, established in the general or comprehensive plans of other jurisdictions. In conducting the capability assessment, the areas that will be examined include but are not limited to:

- Identify and evaluate vulnerable assets and estimate loss potential of those assets.
- Describe natural, technological, and/or human caused hazards that have potential to affect the District's assets.
- For each hazard affecting the planning area, prepare a description of geographic location, extent, previous occurrences, and probability of future events.
- Identify addresses of NFIP insured structures that have been repetitively damaged by floods.
- Review existing studies, reports, and plans
- related to historical disasters, and document disaster declaration history.
- Utilize FEMA's Hazus, RiskMAP products (and/or other appropriate software) to generate level 2 vulnerability assessments for earthquake and fire hazards.
- Develop a parcel-level inventory of vulnerable structures.

Phase 4: Mitigation Strategy Development

NPA will work with the HMPT to create a mitigation strategy that addresses identified hazards with the goal of reducing or avoiding long-term vulnerabilities.

Mitigation Action Development – Developing a comprehensive range of specific mitigation action items being considered to reduce the effects of each hazard, based on the risk assessment. The mitigation strategy will include:

- Mitigating losses for new and existing buildings and infrastructure and for future development areas.
- A list of prioritized hazard mitigation action items that best meet the District's needs for hazard damage reduction.
- Prioritization factors with an analysis of proposed mitigation projects focused on several key areas, including but not limited to economic (including benefits and cost), engineering, technical, legal, environmental, social, and political feasibility.
- Identifying mitigation actions for which no current or planned funding mechanisms are available.

Mitigation Action Implementation – While the planning process is important in creating and updating the LHMP, the real value is in implementing an actionable document that leads to reduced risk. To this end,

NPA will identify how each mitigation action will be implemented, including who is responsible for various actions, funding mechanisms, timeframe for implementation, and implementation priority.

Mitigation Action Matrix – NPA will prepare a matrix that summarizes mitigation actions, priority, responsible party or parties, funding mechanisms, benefit/cost, and technical feasibility.

Phase 5: Plan Preparation and Drafting

The plan preparation and drafting phase will have four primary objectives:

1. Compile all data into a draft Local Hazard Mitigation Plan that meets all of FEMA’s criteria.
2. Submit an administrative draft to the District for review and incorporate feedback into the draft to prepare for public review and comment.
3. Incorporate public review comments and submit a draft LHMP to Cal OES State Hazard Mitigation Officer (SHMO) for review and comment.
4. Incorporate comments from Cal OES/SHMO and submit a final draft LHMP through Cal OES to FEMA for review and comment.

Phase 6: Public Outreach, Meetings, and Public Comment

The public will be engaged at all stages of the planning process - from plan review through adoption of the LHMP. Initial public engagement will utilize online outreach and direct public outreach to assess community perspectives of local hazards and concerns. NPA will be responsible for the following tasks to meet the public outreach, meetings, and public comment objectives through development of a public outreach strategy:

- Conform to the statutory requirements of the Code of Federal Regulations 44 CFR 201.6, the requirements of FEMA Local Mitigation Planning Handbook, and the Community Rating System (CRS) program.
- Document, evaluate and incorporate input received from outreach efforts.
- Organize, assist in noticing and facilitate a minimum of two (2) public outreach workshops.
- Present at a minimum of two (2) Board of Directors or Environmental and Engineering Committee meetings (which may coincide with public outreach workshops).
- Ensure neighboring communities, local and regional agencies involved in hazard mitigation activities, agencies that have the authority to regulate development, and other relevant interests participate in the planning process as required by 44 CFR 201.6 (b)(2).

Phase 7: Plan Approval and Adoption

LHMP Adoption and Approval – Following the plan preparation and drafting phases of the LHMP, NPA will assist District staff with final adoption procedures by the San Lorenzo Valley Water District’s Board of Directors and incorporate adoption in the final LHMP. Once the LHMP plan is finalized, NPA will secure

final approval letter and plan review tool from FEMA.

During this phase, the NPA will ensure the plan and planning process are completed to the satisfaction of, and in accordance with the criteria established by, FEMA. NPA will strive to ensure no additional revisions will be needed once submitted, but if needed, NPA will be responsible for all plan revisions from FEMA and CalOES, until the Board of Directors adopt it.

E. PROPOSED PROJECT SCHEDULE

NPA proposes a seven-month timeline to submit the LHMP to Cal OES and FEMA from the Notice to Proceed. Once submitted to Cal OES and FEMA, the review period can take anywhere from three to six months depending on their current workload. Scheduled events may vary based upon District staff availability, timeliness of Cal OES and FEMA review and unforeseen events.

Table 3: Proposed Schedule

Task/Month	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7
Project Management	Kick-off Meeting	Progress Reports	Progress Reports	Progress Reports	Progress Reports	Progress Reports	Progress Reports
Phase 1: Planning Process		Planning Meeting	Planning Meeting		Planning Meeting		
Phase 2: Hazard Identification		Survey Results					
Phase 3: Risk Assessment		Hazus / GIS	Capabilities				
Phase 4: Mitigation Strategy Development			Objectives	Mitigation Activities Priorities			
Phase 5: Plan Preparation and Drafting				Initial Draft			
Phase 6: Public Outreach, Meetings, and Public Comment		Survey	Outreach Meetings		Public Review Draft		
Phase 7: Plan Approval and Adoption						FEMA Review Draft	Adoption

F. PROPOSED PRICING

NPA proposes to complete the scope of work including optional tasks for a fixed, firm fee of \$48,500. We do not markup expenses or other direct costs. The table below contains a breakdown of tasks, and estimated labor hours by staff billing rate, and other costs.

We propose to invoice monthly with payment due at net 30 days. Statements will contain detailed accounts of labor hours by staff and other direct costs. POV travel will be billed at the current Federal Acquisition Rules rates. Each statement will provide a narrative of work completed, budget status, and any areas of concern.

Table 4: Proposed Pricing

Midway City Sanitaion District LHMP	Rate	Task 1: Planning Process	Task 2 Hazard Identification	Task 3: Risk Assessment	Task 4: Mitigation Strategy	Task 5: Plan Preparation	Task 6: Public Outreach / Comment	Task 7: Plan Approval / Adoption	Total Hours
Job Title & Staff									
Project Manager - Lee Rosenberg	180	10	8	8	5	10	22	12	75
Senior Planner - Francisco Soto	145	15	38		18	40	10	8	129
GIS Planner - Dennis Larson	150			48	12	6			66
QA/QC Crystal Stueve	145	4	5	6	6	8	2	2	33
ODCs									
Material							320		320
Travel		170					1,120		170
Total ODCs		170	-	-	-	-	1,440	-	1,610
Total Hours		29	51	62	41	64	34	22	303
Labor Cost		4,555	7,675	9,510	6,180	9,660	5,700	3,610	
Labor + ODCs		4,725	7,675	9,510	6,180	9,660	7,140	3,610	\$48,500

Earned Value Management

NPA uses earned value management (EVM) techniques for measuring project performance and progress in an objective manner. EVM provides the capability to combine measurements of the project management triangle: scope, time, and costs in a single integrated system. Use of EVM on past projects has resulted in NPA never exceeding budget.

G. REFERENCES, RELATED EXPERIENCE AND EXAMPLES OF WORK

The NPA Team has delivered numerous LHMPs for clients. Information on a sample of our water/wastewater agency performance with contact information can be found below. Each of these projects was led and primarily authored by Lee Rosenberg. Work samples for some past LHMP or similar work is attached as separate documents to the proposal.

Client 1: East Valley Water District

Project Title: Emergency Preparedness Plan Analysis and EOC SOP Development

Timeline: September 2023 – Current

Budget: \$41,000

Client Location: 31111 Greenspot Rd, Highland, CA 92346

Client Point of Contact:

Name:	Kerrie Bryan
Title:	Director of Admin Services
Email:	kbryan@eastvalley.org
Phone:	C: (909) 806-4087 O: (909) 889-9501

Role Assigned:

- Prime Consultant
- Lee Rosenberg: Project Manager, Lead planner
- Francisco Soto: Senior planner

Project Outcome:

- Assessed the District’s emergency preparedness program including the LHMP, RRA and ERP and provided recommendations report for 2023.
- Updating the EOC SOP (2024).

Client 2: Valley County Water District

Project Title: LHMP Update and Grant Application Support

Timeline: 2020-2022

Budget: \$107,500

Client Location: 5121 Lante St, Baldwin Park, CA 91706

Client Point of Contact:

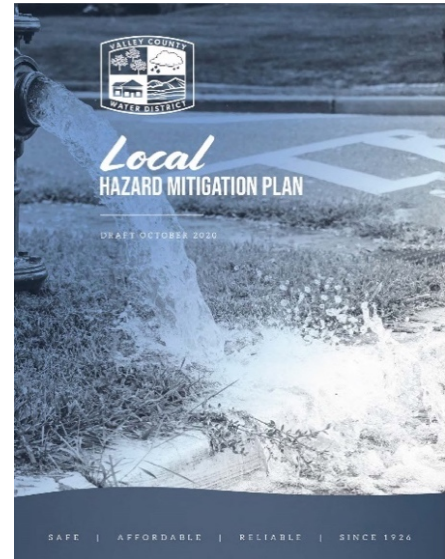
Name:	Tara Robinson
Title:	Management Analyst
Email:	trobinson@vcwd.org
Phone:	C: (818) 428-6981

Role Assigned:

- Prime Consultant
- Lee Rosenberg: Project manager, Lead planner
- Aaron Pfannenstiel: Hazard analysis

Project Outcome:

- NPA recently completed a project to support VCWD revise their 2012 LHMP. The result was a complete rewrite of the plan. The LHMP was found approvable by FEMA and adopted by the District Board of Directors in March 2021.
- NPA also led a project to support a FEMA grant application. Directed a seismic analysis of the District plant. Led development of the grant technical analysis and benefit cost analysis.
- The District was immediately able to receive \$350K in funding from approved PDM grant for an emergency diesel generator fuel tank. Applied for and received an HMGP grant to support a \$11.4M to construct 2 additional 2M gallon steel reservoirs.



Client 3: Valley Water (Santa Clara Valley Water District)

Project Title: FERC Dam Emergency Action Plan Exercise Series, Temporary Construction Dam Emergency Action Plan and Exercise, 12 Dam Emergency Action Plans

Timeline: April 2016 – Current

Budget: \$328,500

Client Location: 5750 Almaden Expy, San Jose, CA 95118

Client Point of Contact:

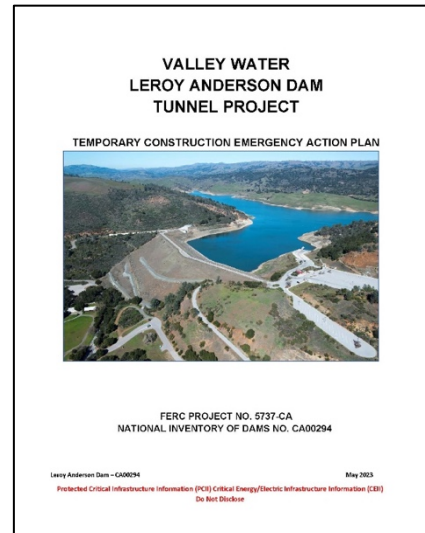
Name:	Nina Merrill
Title:	Program Administrator Dam Safety
Email:	nmerrill@valleywater.org
Phone:	W: (408) 630-2640

Role Assigned:

- Prime Consultant
- Lee Rosenberg: Project manager, Lead planner
- Francisco Soto: Senior planner

Project Outcome:

- Led design and development of a series of exercises to support FERC compliance for Anderson Dam. The series included a seminar, communications drill, TTX and functional exercise.
- Developed 12 dam emergency action plans (EAP) to meet Cal OES regulatory requirements. (Project ongoing)
- Developed a temporary construction dam EAP for a dam seismic retrofit. The EAP was FERC approved. Designed and delivered a TTX to validate the EAP and provide familiarity with the plan for construction managers.



H. SAMPLE REPORT

Two examples of LHMPs that NPA has completed for other clients over the past three (3) years have been included as separate attachments to the email submission due to the length of these documents.

APPENDICES

Appendix A – Résumés

Following are copies of brief résumés for NPA’s key staff proposed for this project to ensure quality delivery of the District’s LHMP.

Lee Rosenberg, CEM – Project Manager

PROFESSIONAL SUMMARY

Lee Rosenberg is the owner and managing director of Navigating Preparedness Associates, a disabled veteran business enterprise. As leader of the company, he provides comprehensive emergency preparedness services to industry. With more than 30 years of experience in national security, homeland security and emergency management, Mr. Rosenberg has broad and deep knowledge of practical application of government policy in these areas. He has a special focus on hazard mitigation plan development and updates in California.

Mr. Rosenberg led the URS Corporation's Oakland environmental service department and West Coast emergency preparedness practice from 2006 to 2014. In addition, he served as a Federal Coordinating Officer for FEMA Region IX from 2004 to 2006 where he provided support to states for numerous presidentially declared disasters. Prior to working for FEMA, Mr. Rosenberg completed a 30-year career in the Navy during which he served as the commanding officer of a destroyer, USS Elliot (DD-967) and as the commander of a large amphibious assault hovercraft base. He is a combat veteran of Operation Desert Storm and retired as a Captain.

EXPERTISE:

- Certified Emergency Manager (IAEM)
- California County hazard mitigation plan development and updates
- Mitigation grant applications
- Hazard analysis and risk assessments
- Interagency and multi-stakeholder facilitation and coordination
- Emergency preparedness training and HSEEP compliant exercises
- Emergency operations planning and guidance development
- Over 30 years of operational response experience
- Continuity of operations

RELEVANT WORK EXPERIENCE

City of Pittsburg, CA Local Hazard Mitigation Plan, Pittsburg, CA – 2016-2017/2023. Project Manager and Lead Planner - Led a team to complete the Pittsburg LHMP. Took over the project due to resignation of the prime contractor's staff. Quickly revised and delivered a new LHMP. The Plan was adopted by the City Council in April 2017

Oro Loma Sanitary District Local Hazard Mitigation Plan San Leandro CA – 2022. Project Manager and Lead Planner – Developed a new LHMP for the District. Follow on work to support a FEMA mitigation grant application was contracted.

Coconino County, Arizona Multi-Jurisdiction Local Hazard Mitigation Plan, Flagstaff, AZ – 2020-2021. Lead Planner - Led all technical aspects to update the Clark County MJLHMP. Included innovative data analysis and GIS products. Managed a complex group of stakeholders from five incorporated cities and towns.

Valley County Water District, Local Hazard Mitigation Plan Update, Baldwin Park, CA – 2020. Project Manager and Lead Planner – Updated the 2008 District LHMP on an expedited basis to support application for an approved mitigation project to install a large diesel storage tank which will improve the water distribution system's resiliency. The LHMP planning and draft document development processes were completed in two months. Follow-on work to conduct a seismic analysis and support a grant application was contracted.

Tulare County, Multi-jurisdiction Local Hazard Mitigation Plan Update, Visalia, CA – 2016-2018. Project Manager and Lead Writer – Led a team to update the Tulare County MJLHMP. Included innovative data analysis and GIS products. The updated LHMP included eight cities, the Tulare County Office of Education and the Tule River Indian Tribe. Met the mandates of AB 2140 and SB 379. Found adoptable by FEMA RIX with minimal comments and adopted by the County Board in March 2018.

San Francisco Bay Water Emergency Transportation Authority (WETA), Hazard Mitigation Plan Update, San Francisco, CA – 2016- 2017. Project Manager and Lead Planner – Led a multi-disciplinary team to create a unique LHMP for WETA. As a State mandated emergency transportation authority and a transit operator, WETA provides ferry service throughout the Bay Area. The LHMP involved close coordination with four Operational Areas and several cities. The HMP was adopted by the WETA board in May 2017.

2008 – 2014: URS Corporation, Environmental Department Manager/West Coast Region Emergency Management Practice Area Leader:

Clark County, Nevada Multi-Jurisdiction Local Hazard Mitigation Plan, Las Vegas, NV – 2011- 2012. Project Manager – Led a team that updated the Clark County MJLHMP. Included innovative data analysis and GIS products. Managed a complex group of stakeholders from four incorporated cities (including Las Vegas) and two special districts.

Ventura County Multi-Jurisdiction Local Hazard Mitigation Plan, Ventura County, CA – 2010- 2011. Project Manager – As project manager supported development of an award-winning plan. The 2010 LHMP was recognized as the Best Emergency Preparedness Plan by the Ventura County Emergency Coordinators Council.

2006 – 2008: FEMA RIX, Disaster Response Operations, Federal Coordinating Officer:

Federal Coordinating Officer, Director, Joint Field Office, Kiholo Bay Earthquake, Honolulu, HI: Led teams providing federal support to the State of Hawaii after the 2006 earthquake. Directed federal disaster relief programs from October 2006 to January 2007. Coordinated operations across agency and jurisdictional roles to achieve unity of action.

1976 – 2006: Captain, U.S. Navy:

US Navy, Multiple Command Tours: Commanding Officer of a Tomahawk missile destroyer, USS Elliot (DD-967), Commander Assault Craft Unit Five, Camp Pendleton, CA, Commander Navy Reserve Officer Training Corps Unit, University of California, Berkeley.

PROFESSIONAL CERTIFICATIONS | EDUCATION | TRAINING

- Certified Emergency Manager, International Association of Emergency Managers 2021
- Northwestern University, Master of Engineering Management

Francisco Soto – Senior Planner

PROFESSIONAL SUMMARY

Francisco Soto has over 10 years of experience in emergency management, public safety, and project management in public, private, and special district organizations. He served as a principal planner for various emergency planning, training, and exercise projects. Francisco led the development and updates to Emergency Operations Plans and Risk Assessments for the cities of Long Beach, Hermosa Beach, Manhattan Beach, and the Municipal Water District of Orange County.

Francisco served as an EOC Director, EOC Coordinator, and Utilities Liaison for City and County-wide disasters. He thoroughly understands EOC organization, emergency/crisis response operations, and risk assessments. Most importantly, Francisco understands the importance of relationships and their key role in effectively preparing and responding to incidents. He excels in stakeholder engagement and has experience collaborating with Police, Fire, Public Works, Health Department, City Management, and Public Information staff to develop an effective plan and response. He lives in Los Angeles County.

EXPERTISE:

- Hazard mitigation planning
- City emergency management operations
- HSEEP exercise design and delivery
- Hazard analysis and risk assessments
- THIRAs
- Dam emergency action plan development

RELEVANT WORK EXPERIENCE

Contra Costa County Hazard Mitigation Plan Update, Martinez, CA – 2023-Current. Planner – Supporting a project to update the County Multi-jurisdiction Hazard Mitigation Plan. The plan includes participation by 19 cities and towns and 15 special districts. Conducted detailed hazard identification and risk assessment. Supported reviewing capabilities. Provided detailed descriptions of the participating organizations.

City of Long Beach Threat and Hazard Identification and Risk Assessment (THIRA) and Stakeholder Preparedness Review (SPR) – 2020 & 2023. Project Manager – Led a planning team made up of community-wide organizations. Coordinated involvement of multiple stakeholders through Identifying and assessing risks, estimating capability requirements, building, and sustaining capabilities, planning and delivering capabilities, and validating capabilities. Produces a comprehensive report that provides an assessment of risk with correlation to capabilities.

Municipal Water District of Orange County Infrastructure Risk Assessment. Fountain Valley, CA – 2022. Project Manager – Coordinated a complex risk assessment project while working with 34 water and wastewater agencies to identify hazards, assess risks and correlate them with the potential to challenge based on each agency's capabilities.

Valley Water Dam Emergency Action Plans, Santa Clara County, CA – 2023-Current. Lead Planner – Supporting development of 10 dam Emergency Action Plans (EAP) for high hazard dams in Santa Clara County. The EAPs, which require detailed analysis of inundation threats to downstream communities, are mandated by recent legislative action in response to the near failure of Oroville Dam. Each document is reviewed with meticulous attention to detail by the Cal OES Dam Safety Unit for compliance with State Water Code and FEMA dam safety standards.

City of Long Beach, EOP Update and Tabletop Exercise – 2022. Project Manager – Led the City's department to

develop and deliver an updated EOP that was a vast improvement over the previous version. The EOP was developed with input from Police, Fire, Health, Public Works, and County and State partners. The update included an EOC Position Specific checklist and incorporated a Business Operations Officer and Equity Officer into the EOC structure. Designed and conducted a complex tabletop exercise to validate the new preparedness document.

City of Hermosa Beach, Hazard Mitigation Plan. Hermosa Beach, CA – 2017. Project Manager – As the Project Manager/Planner, supported the development of the City Hazard Mitigation Plan. Conducted stakeholder engagement, led planning meetings, and incorporated feedback. Directed a vulnerability analysis and led the planning team in developing new mitigation actions. Oversaw the plan review and adoption process.

City of Palos Verdes Estates, Hazard Mitigation Plan – 2016. Project Manager – Led the development/update of the City of Palos Verdes Estates HMP. Coordinated with key stakeholders from Disaster Management Area G to create buy in. Reviewed hazard identification and risk assessment, capabilities. Conducted a vulnerability analysis. Led the planning team in developing new mitigation actions. Oversaw the plan review and adoption process.

PROFESSIONAL CERTIFICATIONS | EDUCATION | TRAINING

- Master of Emergency Services California State University of Long Beach
- Bachelor of Arts, Criminal Justice, California State University of Dominguez Hills
- Risk and Resilience Assessment Certified

Dennis Larson – GIS Planner

PROFESSIONAL SUMMARY

Mr. Larson has 25 years of experience in public agency program management, policy research, and technical analysis. His specialties include long-range planning, hazard mitigation, climate resiliency, Geographic Information Services, and economic impact analyses. Dennis helps public agencies and private firms develop and evaluate policies, programs, and strategies with measurable performance impacts.

RELEVANT WORK EXPERIENCE

Local Hazard Mitigation Plan Updates

Supported the preparation and updates of Local Hazard Mitigation Plans for the following jurisdictions:

- City of Anaheim, Local Hazard Mitigation Plan Update
- City of Costa Mesa, Local Hazard Mitigation Plan
- City of Hollister, Local Hazard Mitigation Plan Update
- City of Huntington Beach Local Hazard Mitigation Plan Update
- City of Irvine, Local Hazard Mitigation Plan Update
- City of Loma Linda Local Hazard Mitigation Plan Update
- City of Rancho Cucamonga Local Hazard Mitigation Plan Update
- City of Stanton, Local Hazard Mitigation Plan
- City of Vernon, Local Hazard Mitigation Plan Update
- City of Laguna Beach, Local hazard Mitigation Plan Update

OTHER RELEVANT EXPERIENCE

- San Diego Unified Port District, Port Master Plan Update, Safety and Resiliency Element
- San Diego Unified Port District, AB691 SLR Vulnerability Assessment and Coastal Resiliency Report
- San Diego Unified Port District, San Diego Ocean Planning Partnership and Preliminary Assessment Report
- San Diego Regional Climate Collaborative and National Oceanic and Atmospheric Administration, Comparing Sea Level Rise Adaptation Strategies in San Diego: An Application of the NOAA Economic Framework
- City of Encinitas, FEMA Benefit-Cost Analysis for Coastal Hazard Resiliency
- City of San Diego, Otay Mesa Community Plan Update, Public Facilities, Safety, & Services Element

PROFESSIONAL CERTIFICATIONS | EDUCATION | TRAINING

- MA, Economics, California State San Diego
- BA, Geography, California State San Diego

EXPERTISE:

- 25+ years of emergency management, planning, and hazard mitigation planning
- Mitigation Planner
- GIS Mapping Technical Expert
- Climate Change SME
- Policy Research
- Technical Analysis

Janlia Riley – QA/QC

PROFESSIONAL SUMMARY

Janlia Riley brings over 22 years of experience in community outreach, marketing, and branding to include projects that have been executed with and for cities and counties throughout the nation, as well as Federal clients and programs. She specializes in the implementation of QA/QC measures and the utilization of accurate references, templates, and metrics. Ms. Riley has supported numerous emergency management projects and exercises, in project management and support roles, including document creation, meeting facilitation, as well as logistics. She is excellent in fostering relationships and creating outreach efforts for community engagement and staffing and volunteer recruitment.

EXPERTISE:

- QA/QC
- Whole Community Planning
- After Action Report
- Community Outreach
- Design, Marketing, and Branding
- Exercise Development and Conduct Support
- Section 508 Document Compliance

RELEVANT WORK EXPERIENCE

University of California, Berkeley, Emergency Operations Plan and Annexes – 2024. QA/QC, Compliance Officer, Designer – Assist in the development of the university EOP, graphic design and branding adherence for documents, presentations, and annexes. Section 508 compliance and QA/QC through project.

Tulane University, Emergency Operations Plan – 2023. QA/QC, Compliance Officer, Designer – Assist in the development of the university EOP, graphic design for documents, presentations, and annexes. Development of pocket guide. Section 508 compliance and QA/QC through project.

Napa County, Fire After Action Reports and Improvement Plans – 2021. Project Manager, QA/QC, Compliance Officer, Contributing Author – Facilitation and authoring of AARs and IPs for Lightning LNU Complex Fire and Glass Fire, assessing strengths, findings of areas for improvements, and recommendations in all areas of EOC activation and operations. Stakeholder engagement, interviews, Section 508 compliance, and QA/QC.

California Governor’s Office of Emergency Services (Cal OES), Whole Community Mass Vaccination Site Guidance – 2021. Project Manager, Contributing Author, Graphic Designer – Document and author best practices and lessons learned blueprint of COVID-19 mass testing and vaccination sites rollout. Included interviewing stakeholder groups, documenting findings, and authoring a blueprint for whole community planning.

California Governor’s Office of Emergency Services (Cal OES) Office of Access and Functional Needs, Resource Library Audit & Internal Policies – 2019. Project Manager, Contributing Author – Stakeholder engagement, full audit and updating all resources, providing recommendations to additional resources and materials, and Section 508 compliance. Author of an internal policies document on the procedures and maintenance of the library.

City of Hawthorn, Hazard Mitigation Plan – 2018. Deputy Project Manager / QA/QC Officer – Local Hazards Mitigation Plan. CONSTANT team led the update of the City of Hawthorne LHMP. The project involved engaging with City staff and manager, and stakeholders. City of Hawthorne is located in close proximity to a major international airport, LAX, and is within the County of Los Angeles. The population to consider included the City’s total of more than 84,000, and all of the major jurisdictions with the County. Ms. Riley assisted in the coordination, creation, and facilitation of all planning meetings and was performed QA/QC to the final and all drafts of the LHMP.

She also assisted in messaging creation for community outreach and website messaging efforts.

City of Hermosa Beach, Hazard Mitigation Plan – 2017. Support / QA/QC – Supported the development and quality assurance of the City Hazard Mitigation Plan. Project included stakeholder engagement, planning meetings, feedback incorporation, vulnerability analysis, and development of new mitigation actions.

City of Palos Verdes Estates, Hazard Mitigation Plan – 2016. Support / QA/QC – Supported the development/update and quality of assurance of the City of Palos Verdes Estates HMP. Key deliverables included key stakeholders buy-in within Disaster Management Area G, hazard identification and risk assessment review, vulnerability analysis, development of new mitigation actions.

EDUCATION & TRAININGS/CERTIFICATIONS

- Bachelor of Visual Arts, Graphic Design, Griffith University (Australia)
- FEMA ICS Training: 200 & 300, 230, 318, 393

EXHIBIT "B" TO AGREEMENT
SCOPE OF WORK

EXHIBIT A - SCOPE OF WORK

Preparation of the Local Hazard Mitigation Plan shall cover the planning area of the District's jurisdiction and involve an inclusive District-wide planning process. The Consultant will manage, coordinate, prepare, and administer the development of a Local Hazard Mitigation Plan (LHMP) for the District and assist the District to obtain approval of the Plan by the Federal Emergency Management Agency (FEMA). The Consultant shall perform all necessary planning, administration, professional analysis, supporting documentation, and work required for the preparation and adoption of the District LHMP in full conformance with the requirements of the Disaster Mitigation Act of 2000, 44 CFR 201 (Planning) and Part 206 (Projects), and in title 2 of the Code of Federal Regulations (2 CFR), Part 200 (Uniform Administrative Requirements) and the FEMA Local Mitigation Planning Handbook May 2023.

The plan shall be organized into the following tasks/phases in accordance with the Disaster Mitigation Act planning process:

- 1) Planning Process
- 2) Hazard Identification
- 3) Risk Assessment
- 4) Mitigation Strategy
- 5) Plan Preparation and Drafting
- 6) Public Outreach, Meetings, and Public Comment
- 7) Plan Approval and Adoption

1. Planning Process

Consultant will assemble a Planning Team, define the planning area, and develop a public outreach strategy that will be utilized throughout the development of the LHMP.

- Identify a Midway City Sanitary District (District) Planning Team consisting of key management staff from departments within the District.
- Prepare, organize, and maintain documentation that memorializes the entire planning process, informs the public and stakeholders of the overall approach, and serves as permanent record as to the plans development, public involvement, and decisions made.
- Develop and implement a public outreach strategy which conforms to the statutory requirements of the Code of Federal Regulations 44 CFR 201.6, the requirements of FEMA Local Mitigation Plan Guidelines, and the Community Rating System (CRS) program.
- Document, evaluate and incorporate input received from outreach efforts.
- Organize, assist in noticing, and facilitate a minimum of two (2) public outreach workshops. The workshops should provide the public with an opportunity to interact with the LHMP Planning Team, introduce the public to the progress and outcomes of the LHMP planning process, review the outcomes of the hazard identification and risk assessment, and act as a public commenting tool for the Public Review Draft LHMP.
- Present at a minimum of two (2) Board of Directors meetings (which may coincide with public outreach workshops).

- Ensure neighboring communities, local and regional agencies involved in hazard mitigation activities, agencies that have the authority to regulate development, as well as other to be determined interests are involved in the planning process as required by 44 CFR 201.6 (b)(2).
- This phase also includes administrative tasks, such as establishing project timeline tracking and accounting procedures.

2. Hazard Identification

The Hazard Identification phase will include a description and prioritization of the hazards that have occurred within the District’s jurisdiction. The hazard categories may include all the following:

- Flood-related hazards
- Wildfire hazards
- Debris flows
- Earthquake hazards
- Severe weather-related hazards (extreme temperatures, drought, fog, heavy rains and/or thunderstorms, wind, lightning, etc.)
- Nuclear hazards
- Climate change hazards
- Other man-made hazards
- Other geologic and soil hazards
- Other hazards as identified by the consulting firm, District staff, neighboring Local Hazard Mitigation Plans, and other data sources

3. Risk Assessment

Risk assessment will include hazard mapping, a vulnerability assessment, and a capability assessment. Risk assessment results will form the foundation for the subsequent identification of the appropriate mitigation actions for reducing damages and losses.

a. Hazard Mapping

Hazard mapping will use the best available data that delineates areas affected by hazards as well as identify locations of local assets. The geographic information data will include an inventory for use in developing map data layers (to the extent data is available), of the following items relative to the multiple hazard area:

- Operational and Public buildings/structures
- Critical facilities and infrastructure
- Maps of the location of parcels, structures, land use, and populations

b. Vulnerability Assessment

The vulnerability assessment will develop an overview of the District’s vulnerability to specific hazards. Digital maps and GIS data will be developed that identify local assets

that are located within known hazard areas. HAZUS will be used to model losses as appropriate. This vulnerability assessment will include:

- Types and numbers of buildings, infrastructure, and critical facilities located within the planning area and within identified hazard areas.
- Potential economic losses from identified hazards will be estimated through a process that utilizes HAZUS-MH or GIS analysis of County assessor's data with hazard locations.
- Description of land uses and development trends to advise future land use decisions.

c. Capability Assessment

The capability assessment will consist of an inventory of existing plans, policies, and procedures that the District has in place to reduce the effect of hazards. This will include protective measures under the National Flood Insurance Program (NFIP), building codes, zoning ordinances, completed or ongoing mitigation projects, and mitigation policies established in the general or comprehensive plans of other local jurisdictions.

- Identify and evaluate vulnerable assets and estimate loss potential of those assets.
- Describe natural, technological, and/or human caused hazards that have potential to affect the District's assets.
- For each hazard affecting the planning area, prepare a description of geographic location, extent, previous occurrences, and probability of future events.
- Prepare and provide an overall summary of each hazard profile and its impact on the community in accordance with 44 CFR 201.6 (c)(2)(ii).
- Identify addresses of NFIP insured structures that have been repetitively damaged by floods.
- Review existing studies, reports and plans related to historical disasters, and document disaster declaration history.
- Utilize FEMA's HAZUS, RiskMAP products (and/or other appropriate software) to generate level 2 vulnerability assessments for earthquake and fire hazards.
- Develop a parcel-level inventory of vulnerable structures.
- Document the analysis and findings from this task element in a manner and format that planners, policy makers and community members can easily decipher. Technical data and output relevant to the risk assessment may be included in appendices.
- Include graphics and generate Geographic Information System (GIS) based maps that will illustrate the extent and location of each hazard, as well as other available information, within the defined planning area. All GIS based data and mapping shall be tied to the District's network.
- Develop strategies to expand upon and/or improve existing policies and programs.

4. Mitigation Strategy Development

The Mitigation Strategy development phase will develop mitigation actions to address identified hazards with the goal of reducing or avoiding long-term vulnerabilities. This phase will include identifying mitigation goals, mitigation actions, developing a mitigation action plan, and

evaluating and prioritizing mitigation actions based on a planning level Benefit-Cost assessment. Consultant will complete the following tasks:

- Develop a comprehensive range of mitigation actions to reduce the effects of each hazard type identified in the risk assessment.
 - Mitigation strategy should address mitigating losses for new and existing buildings and infrastructure and for future infrastructure development areas.
 - This section will include a list of prioritized hazard mitigation action items that best meet the District’s needs for hazard damage reduction.
 - Prioritization factors will include an analysis of proposed mitigation projects focused on several key areas, including but not limited to economic (including benefits and cost), engineering, technical, legal, environmental, social, and political feasibility.
- Define mitigation goal statements focused on reducing risk from identified hazards.
- Prepare a cost estimate on a defined comparative cost scale as a basis to compare and prioritize mitigation actions.
- Identify how each mitigation action will be implemented, including who is responsible for various actions, funding mechanisms, timeframe for implementation, and implementation priority.
- Identify those mitigation actions for which there is no current or planned funding mechanism.
- Prepare a matrix that summarizes mitigation actions, priority, responsible party(ies), funding mechanisms, benefit/cost, and technical feasibility.

5. Plan Preparation and Drafting

The plan preparation and drafting phases will have four primary objectives.

- Compile all data into a draft Local Hazard Mitigation Plan (LHMP) that meets all of FEMA’s criteria.
- Submit an administrative draft to the District for review and incorporate feedback into the draft to prepare for public review and comment.
- Incorporate public review comments and submit a draft LHMP to Cal OES State Hazard Mitigation Officer (SHMO) for review and comment.
- Incorporate comments from Cal OES/SHMO and submit a final draft LHMP through Cal OES to FEMA for review and comment.

6. Public Outreach, Meetings, and Public Comment

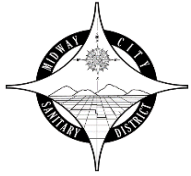
The public will be engaged at all stages of the planning process - from plan review through adoption of the LHMP. Initial public engagement will utilize online outreach and direct public outreach to assess community perspectives of local hazards and concerns. District and Consultant will provide public notice and opportunity for comment for all planning phases requiring such notice, including review of the proposed draft update prior to adoption of the LHMP. Consultant will be responsible for the following tasks to meet the public outreach, meetings, and public comment objectives through development of a public outreach strategy:

- Conform to the statutory requirements of the Code of Federal Regulations 44 CFR 201.6, the requirements of FEMA Local Mitigation Planning Handbook, and the Community Rating System (CRS) program.
- Document, evaluate and incorporate input received from outreach efforts.
- Organize, assist in noticing and facilitate a minimum of two (2) public outreach workshops. The workshops should provide the public with an opportunity to interact with the LHMP Planning Team, introduce the public to the progress and outcomes of the LHMP planning process, review the outcomes of the hazard identification and risk assessment, and act as a public commenting tool for the Public Review Draft LHMP.
- Present at a minimum of two (2) Board of Directors (which may coincide with public outreach workshops).
- Ensure neighboring communities, local and regional agencies involved in hazard mitigation activities, agencies that have the authority to regulate development, and other relevant interests are involved in the planning process as required by 44 CFR 201.6 (b)(2).

7. Plan Approval and Adoption

Following the plan preparation and drafting phases of the LHMP, Consultant will assist District staff with final adoption procedures by the District’s Board of Directors and incorporate adoption in the final LHMP. Once the LHMP plan is finalized, Consultant will secure final approval letter and plan review tool from FEMA.

During this phase, the consultant is to ensure the plan and planning process are completed to the satisfaction of, and in accordance with the criteria established by, FEMA. Should the LHMP not receive approval following Cal OES and FEMA review, Consultant is responsible to review FEMA “required revision” comments provided and perform all necessary follow-on tasks to finalize the LHMP to the satisfaction of FEMA.



2025 Board Meeting Calendar

JANUARY						
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- Board Meetings
 - Outreach Committee Meeting
 - Calendar Committee Meeting
 - Franchise Committee Meeting
 - ISDOC Qrtly Luncheon
 - Clean-up event
 - Special Events/Conferences
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- 1/25 MCSD Open House
 - 2/1 WM Tet Festival
 - 4/21-24 CSDA Leadership Conference
 - 5/6-9 WasteExpo Conference
 - 5/17 Compost Event
 - 5/20-21 CSDA Legislative Days
 - 7/16 WM Safety Day
 - 8/25-28 CSDA Annual Conference
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- Holiday - Office Closed
 - 1/1 New Year's Day
 - 2/17 President's Day
 - 5/26 Memorial Day
 - 7/4 Independence Day
 - 9/1 Labor Day
 - 11/27 Thanksgiving Day
 - 12/25 Christmas Day

Revise November 13, 2024