

# **MIDWAY CITY SANITARY DISTRICT**

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

**Tuesday, June 18, 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**
- 5. APPROVAL OF THE MINUTES**

A. Approval of the Minutes of the Regular Meeting on June 4, 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 June 5, 2024
- E. Report of Clean-up Event at Bolsa Chica Park on June 8, 2024
- F. Report of OC San 70<sup>th</sup> Anniversary Open House on June 8, 2024
- G. Report of Radio Outreach with VietLink on June 10, 2024
- H. Report of Radio Outreach with Me Vietnam on June 13, 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 \$94,756.34
- B. Approve the Transferring and Reallocating of Funds into the Midway City Sanitary District's Reserve and Investment Accounts
- C. Received and File the Engineer Report for May 2024
- D. Approve the June 5, 2024 Outreach Committee Recommendations
- E. Approve the File the Treasurer's Investment Report for May 2024

## 8. OLD BUSINESS

None.

## 9. NEW BUSINESS

- A. PUBLIC HEARING AND ADOPTION OF **RESOLUTION NO. 2024-13** OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANTARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, APPROVING A REPORT ON SPECIAL USER CHARGES PURSUANT TO SPECIAL USAGE PERMIT AGREEMENT AND COVENANT DOCUMENTS AND DIRECTING THE COUNTY AUDITOR TO ADD SUCH SPECIAL USAGE CHARGES TO THE JULY 1, 2024 THROUGH JUNE 30, 2025 SECURED TAX ROLL PURSUANT TO ORDINANCE NO. 26 **(Roll Call Vote)**

B. PUBLIC HEARING AND ADOPTION OF **RESOLUTION NO. 2024-14** OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, APPROVING A REPORT ON SANITATION AND SEWER USER CHARGES AND DIRECTING THE COUNTY AUDITOR TO ADD SUCH USER CHARGES TO THE JULY 1, 2024 THROUGH JUNE 30, 2025 SECURED TAX ROLL PURSUANT TO ORDINANCE NO. 72 AND ORDINANCE NO. 73

**(Roll Call Vote)**

C. PUBLIC HEARING AND ADOPTION OF **RESOLUTION NO. 2024-15** OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, ADOPTING THE SPECIAL DISTRICT GENERAL FUND BUDGET FOR THE FISCAL YEAR JULY 1, 2024 THROUGH JUNE 30, 2025

**(Roll Call Vote)**

D. A **RESOLUTION NO. 2024-16** OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY AUTHORIZING AND MAKING FINDINGS FOR CONTINUED EMERGENCY ACTION FOR THE REPAIR, REPLACEMENT, AND LINING OF DAMAGED SEWER LINES, REMOVAL AND REPLACEMENT OF A MANHOLE, AND RELATED STREET REPAIRS IN WEBBER PLACE BETWEEN MANHOLE 2006 AND MANHOLE 2005 AND IN PEMBROOK LANE BETWEEN MANHOLE 2006 AND MANHOLE 2019

**(Roll Call Vote)**

**10. INFORMATIONAL ITEMS**

A. OC LAFCO - Appointment Process Results

**11. BOARD CONCERNS AND COMMENTS**

**12. GM/STAFF CONCERNS AND COMMENTS**

**13. GENERAL COUNSEL CONCERNS AND COMMENTS**

**14. CLOSED SESSION ITEMS**

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.

A. CONFERENCE WITH LABOR NEGOTIATORS (Government Code Section 54957.6)  
**Title:** Agency Designated Representatives: GM Robert Housley and Labor Counsel Joseph Larsen  
**Employee Organization:** American Federation of State, County, and Municipal Employees, LOCAL 1734-01

**15. ADJOURNMENT TO TUESDAY, JULY 2, 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**

**June 4, 2024**

**CALL TO ORDER:**

President M. Nguyen called the regular meeting of the Governing Board of the Midway City Sanitary District to order at 14451 Cedarwood Street, Westminster, California on Tuesday, June 4, 2024 at 5:32 P.M.

**BOARD MEMBERS PRESENT:**

Mark Nguyen  
Tyler Diep  
Chi Charlie Nguyen  
Andrew Nguyen  
Sergio Contreras

**STAFF MEMBERS PRESENT:**

Robert Housley, General Manager  
Ashley Davies, Director of Servs. & Program Development  
Milo Ebrahimi, District Engineer, P.E  
Cynthia Olsder, Executive/Board Secretary

**OTHERS PRESENT:**

David DeBerry, Assistant General Counsel Woodruff & Smart

**PLEDGE OF ALLEGIANCE AND INVOCATION:**

Director C. Nguyen led the Pledge of Allegiance. Director S. Contreras gave the Invocation.

**PUBLIC COMMENTS:**

None.

**APPROVAL OF THE MINUTES OF THE REGULAR MEETING ON MAY 21, 2024**

A motion was made by Director T. Diep, seconded by Director A. Nguyen, to approve the minutes of the regular meeting on May 21,2024. The motion was approved by the following 5-0 vote:

AYES: A. Nguyen, M. Nguyen, T. Diep, C. Nguyen, S. Contreras

NAYS:

ABSTAIN:

ABSENT:

**REPORTS:**

**Report of President**

None.

**Report of the General Manager**

GM R. Housley provided an update on events occurring at the District. He gave an update on the search for the Director of Finance/HR position as well as details about the CSDA Legislative Days conference.

**Report of the Director of Services & Program Development**

Director of Services & Program Development A. Davies reported on the OC San 70th Anniversary Open House, the SB 1383 funding, and the Clean-up event held at Bolsa Chica Park.

**Report of Westminster Public Works Open House on May 18, 2024**

Director C. Nguyen and Director A. Nguyen attended the event and reported that it was another good opportunity to collaborate with the City of Westminster and to promote the District.

**Report of District Employee Luncheon on May 22, 2024**

All the Directors attended the luncheon and agreed that it is a great way to interact with employees and give awards and certifications, which are necessary for boosting office morale.

**Report of OC San District Board of Directors Meeting & Ribbon Cutting on May 22, 2024**

Director A. Nguyen reported that OC San has an open nomination for Chairperson and Vice Chairperson of the Board of the Directors. Election to be held in June unless only one candidate is nominated.

**CONSENT CALENDAR:**

- A. Receive and File the Register of Demands in the Amount of \$597,367.48
- B. Approve Fiscal Year 2023-2024 Budget Adjustments No.2

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

AYES: A. Nguyen, M. Nguyen, T. Diep, C. Nguyen, S. Contreras

NAYS:

ABSTAIN:

ABSENT:

**OLD BUSINESS:**

None.

**NEW BUSINESS:**

- A. A **RESOLUTION NO. 2024-11** OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, ESTABLISHING THE APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2024-2025 FOR THE DISTRICT IN ACCORDANCE WITH THE PROVISIONS OF DIVISION 9 OF TITLE 1 OF THE CALIFORNIA GOVERNMENT CODE

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. 2024-11 as presented at the meeting. The motion was approved by the following 5-0 roll call vote:

AYES: A. Nguyen, M. Nguyen, T. Diep, C. Nguyen, S. Contreras

NAYS:

ABSTAIN:

ABSENT:

- B. A **RESOLUTION NO. 2024-12** OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY AUTHORIZING AND MAKING FINDINGS FOR CONTINUED EMERGENCY ACTION FOR THE REPAIR, REPLACEMENT, AND LINING OF DAMAGED SEWER LINES, REMOVAL AND REPLACEMENT OF A MANHOLE, AND RELATED STREET REPAIRS IN WEBBER PLACE BETWEEN MANHOLE 2006 AND MANHOLE 2005 AND IN PEMBROOK LANE BETWEEN MANHOLE 2006 AND MANHOLE 2019

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. 2024-12 as presented at the meeting. The motion was approved by the following 5-0 roll call vote:

AYES: A. Nguyen, M. Nguyen, T. Diep, C. Nguyen, S. Contreras

NAYS:

ABSTAIN:

ABSENT:

- C. Consider Approval of Amendment No. 3 to the Existing Professional Services Agreement with AKM Consulting Engineering for the Sewer System Master Plan Project (SSMP) to Include Conducting an Audit of the District’s Sewer System Master Plan at an Additional Cost Not to Exceed \$53,996 and Authorize the General Manager to Enter into and Execute the Amendment

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 approve Amendment No. 3 to the existing professional services agreement with AKM Consulting Engineering for the Sewer System Master Plan Project (SSMP) to include conducting an audit of the District’s Sewer System Master Plan at an additional cost not to exceed \$53,996 and authorize the General Manager to enter into and execute the amendment. The motion was approved by the following 5-0 vote:

AYES: A. Nguyen, M. Nguyen, C. Nguyen, T. Diep, S. Contreras

NAYS:

ABSTAIN:

ABSENT:

**INFORMATIONAL ITEMS:**

None.

**BOARD CONCERNS AND COMMENTS:**

The Board thanked Staff.

**GM/STAFF CONCERNS AND COMMENT:**

GM R. Housley thanked the Board for their support.

**GENERAL COUNSEL CONCERNS AND COMMENTS:**

None.

**CLOSED SESSION:**

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 5:52 P.M. to the next Board Meeting to be held at the District on Tuesday, June 18, 2024, at 5:30 P.M.

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Andrew Nguyen, Secretary

AGENDA ITEM 7A

Date: June 18, 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 \$94,756.34.

**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 \$94,756.34. 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 June 18, 2024.



Midway City Sanitary District

Accounts Payable Expenditures, Payments, Payroll, and ACH Payment(s) Report  
 Prepared for Board Meeting held on June 18, 2024

Type	Num	Date	Name	Memo	Paid Amount
Check	15742	06/04/2024	Ayala's Car Wash		
Bill	1652	05/22/2024		Fleet Wash (3) 05/22/24 Fleet Wash (1) 05/22/24 Fleet Wash (3) 05/22/24 Fleet Wash (3) 05/22/24 Fleet Wash (8) 05/30/2024	90.00 30.00 90.00 90.00 320.00
Bill	1655	05/30/2024			<u>620.00</u>
Check	15743	06/04/2024	BedLock Safety Products, LLC		
Bill	BSP00118	05/20/2024		BedLock Safety device System	1,405.90
					<u>1,405.90</u>
Check	15744	06/04/2024	Bodyworks Equip. Inc.		
Bill	47346	05/22/2024		Relief Valve (1) for NG-18	628.79
Bill	47366	05/23/2024		Wire Harness - Valve Ned (1) for NG-15	763.46
					<u>1,392.25</u>
Check	15745	06/04/2024	Cameron Welding Supply	PO# 28508	
Bill	1637915-00	05/24/2024		CO2, Compressed (1), Propane, Liquefied (2)	181.76
					<u>181.76</u>
Check	15746	06/04/2024	Chi Charlie Nguyen	2024 Waste Expo Reimbursement	
Bill	2024 Waste Expo	05/28/2024		2024 Waste Expo Reimbursement	1,075.34
					<u>1,075.34</u>
Check	15747	06/04/2024	City of Westminster-Water Billing		
Bill	541-0702-01 052024	05/28/2024		Wash Rack 03/25/24 - 05/20/24	99.88
Bill	541-0698-00 052024	05/28/2024		District offices 03/21/24 - 5/20/24	121.11
					<u>220.99</u>
Check	15748	06/04/2024	CRC Cloud		
Bill	2102973	04/08/2024		ProFuel Software Activation and Installation for Milo	275.00
Bill	2103000	06/01/2024		Maintenance & Support June-2024	2,406.00
					<u>2,681.00</u>
Check	15749	06/04/2024	Cummins Pacific LLC	PO# 28513	
Bill	X5-80739	05/29/2024		Plug, Expansion (2), Seal, Oil (1), Gasket, Rear Cover (2), Plug, Expansion (1), Plug Expansion (1)	101.51
					<u>101.51</u>
Check	15750	06/04/2024	Driveshaftpro		
Bill	640032	05/30/2024		Center Bearing Assy (1), U-Jpoint Kit (3), Boot Kit (1) plus labor	938.69
Bill	640033	05/30/2024		BRG Retainer Kit (2)	47.63
					<u>986.32</u>
Check	15751	06/04/2024	Frontier Communications	Acct # 209-188-5155-071808-5	
Bill	MCSD 05/19/2024	05/19/2024		(714)903-1863 Willow May - 2024	188.44
				(714)903-6154 Westminster May - 2024	187.74
				(714)903-6274 Hammon May - 2024	187.74
				(714)897-5136 District Offices May - 2024	99.61
					<u>663.53</u>
Check	15752	06/04/2024	HB Staffing/Cathyjon Enterprises, Inc.	Client# 341347	
Bill	4392662	05/23/2024		Administrative Assistant 05/14/24 - 05/16/24	716.63
					<u>716.63</u>
Check	15753	06/04/2024	Hillco Fastener Warehouse Inc.	Order No. 01384482	
Bill	5378681	05/30/2024		Restock bolts and locknuts	66.14
					<u>66.14</u>
Check	15754	06/04/2024	Paychex	VOID:	0.00
Check	15755	06/04/2024	PSI	VOID:	0.00
Check	15756	06/04/2024	Safety-Kleen Systems, Inc.	Customer# MI47237	
Bill	94682277	05/29/2024		Grease	983.03
					<u>983.03</u>
Check	15757	06/04/2024	Samsara Inc.	Order # S-1445915 PO# Q-715222	

Bill	310519552886898	03/22/2024		License/Support Vehicle Cameras 03/22/24 -03/21/25 for NG-21	1,090.26 <u>1,090.26</u>
<b>Check</b>	<b>15758</b>	<b>06/04/2024</b>	<b>Snap-On Tools</b>	<b>PO # 28498</b>	
Bill	05222489870	05/22/2024		14.4v 2.5 Ahr Battery Black (1)	128.27 <u>128.27</u>
<b>Check</b>	<b>15759</b>	<b>06/04/2024</b>	<b>SoCal Auto &amp; Truck Parts, Inc.</b>		
Bill	611189	05/24/2024		Turn Signal Switch (1), Flasher - Turn Signal (1) for G-5	117.65
Bill	610946	05/22/2024		Tape (10), Venom Steel Industrial Gloves (2)	101.76 <u>219.41</u>
<b>Check</b>	<b>15760</b>	<b>06/04/2024</b>	<b>Southwest Sign Company</b>	<b>Board Room Signage</b>	
Bill	08-16721	04/17/2024		Board Room Signage	8,036.58 <u>8,036.58</u>
<b>Check</b>	<b>15761</b>	<b>06/04/2024</b>	<b>Spectrum Enterprise (Time Warner Cable)</b>		
Bill	1162435050924	05/09/2024		May-2024	1,349.00
Bill	0973956052024	05/20/2024		One-Time FIA Installation Charges May-2024	20,171.85 <u>102.04</u> 21,622.89
<b>Check</b>	<b>15762</b>	<b>06/04/2024</b>	<b>Standard Insurance Company Life</b>	<b>Policy # 00 141873 0003</b>	
Bill	001417830003 06/2024	06/01/2024		June - 2024	559.92
				June - 2024	196.32
				June - 2024	238.96
				June - 2024	424.40
				June - 2024	96.00
				Adj - June 2024	0.56 <u>1,516.16</u>
<b>Check</b>	<b>15763</b>	<b>06/04/2024</b>	<b>TEC Of California, Inc.</b>	<b>PO # 28501</b>	
Bill	1444057L	05/25/2024		Restock brake components	1,813.53 <u>1,813.53</u>
<b>Check</b>		<b>06/04/2024</b>	<b>Tony Tran</b>	<b>QuickBooks generated zero amount transaction for bill payment stub</b>	
General Journal	091664R	07/01/2023	Tony Tran	Reverse of GJE 091664 -- Rec Cash Adj for Voided Check 14747 Reissued 15042	0.00 <u>0.00</u>
<b>Check</b>	<b>15764</b>	<b>06/04/2024</b>	<b>Underground Service Alert</b>	<b>MCSDDIST</b>	
Bill	520240442	06/01/2024		Underground Dig Alerts May-2024 (17)	29.75 <u>29.75</u>
<b>Check</b>	<b>15765</b>	<b>06/04/2024</b>	<b>UniFirst Corporation</b>		
Bill	2190177339	05/24/2024		May - 2024	186.65
Bill	2190177340	05/24/2024		May - 2024	77.24
Bill	2190177341	05/24/2024		May - 2024	69.66
Bill	2190177342	05/24/2024		May - 2024	16.23 <u>349.78</u>
<b>Check</b>	<b>15766</b>	<b>06/04/2024</b>	<b>Westminster Herald</b>	<b>Acct # 00007327</b>	
Bill	142466, 142468	05/23/2024		PHN User Fee Report 05/16/24 - 5/23/24	504.00 <u>504.00</u>
<b>Check</b>	<b>15767</b>	<b>06/04/2024</b>	<b>Woodcliff Corporation - Escrow Account</b>		
Bill	3586554618 42024	04/16/2024		Building Project #17 Apr 2024 - Retention Payment	1,598.55
Bill	032024 3586554618	05/22/2024		Solar Project #5 March 2024 - Retention Payment	3,336.89 <u>4,935.44</u>
<b>Check Total</b>					<b>\$51,340.47</b>
<b>ACH Payment</b>	<b>1002650978</b>	<b>05/31/2024</b>	<b>CalPERS-Retirement</b>	<b>6882866561</b>	
Bill	05/13/24 - 05/26/24	05/26/2024		Earned Period 05/13/24 - 05/26/24	1,827.92
				Earned Period 05/13/24 - 05/26/24	3,192.25
				Earned Period 05/13/24 - 05/26/24	3,506.45
				Earned Period 05/13/24 - 05/26/24	1,337.40 <u>9,864.02</u>
<b>ACH Payment</b>	<b>1002650979</b>	<b>05/31/2024</b>	<b>CalPERS-Retirement</b>	<b>6882866561</b>	
Bill	05/13/24 - 05/26/24	05/26/2024		Earned Period 05/13/24 - 05/26/24	1,635.65
				Earned Period 05/13/24 - 05/26/24	2,856.47
				Earned Period 05/13/24 - 05/26/24	3,137.63

				Earned Period 05/13/24 - 05/26/24	1,196.73
					<u>8,826.48</u>
<b>ACH Payment</b>	<b>1002650980</b>	<b>05/31/2024</b>	<b>CalPERS-Retirement</b>	<b>6882866561</b>	
Bill	05/13/24 - 05/26/24	05/26/2024		Earned Period 05/13/24 - 05/26/24	129.94
				Earned Period 05/13/24 - 05/26/24	226.93
				Earned Period 05/13/24 - 05/26/24	249.26
				Earned Period 05/13/24 - 05/26/24	95.07
					<u>701.20</u>
<b>ACH Payment</b>		<b>05/31/2024</b>		<b>Funds Transfer 457(b) Salary Reduction</b>	
				Funds Transfer 457(b) Salary Reduction	3,924.94
					<u>3,924.94</u>
<b>ACH Payment</b>		<b>05/31/2024</b>		<b>Funds Transfer</b>	
				Funds Transfer	2,947.24
					<u>2,947.24</u>
<b>ACH Payment</b>		<b>06/07/2024</b>		<b>Funds Transfer 457(b) OBRA-PST</b>	
				Funds Transfer 457(b) OBRA-PST	846.00
					<u>846.00</u>
<b>ACH Payment</b>	<b>1590709</b>		<b>SoCalGas</b>	<b>Acct # 021-760-4610 6</b>	
Bill	02176046106 0524	05/31/2024		CNG Station May-2024 (11,482)	7,793.66
					<u>7,793.66</u>
<b>ACH Payments Total</b>					<b><u>\$34,903.54</u></b>
<b>Payroll</b>		<b>06/07/2024</b>		<b>Board Payroll</b>	<b>8,512.33</b>
<b>Payroll Total</b>					<b><u>\$8,512.33</u></b>
<b>Total Disbursements</b>					<b><u>\$94,756.34</u></b>

<b>Transfers</b>			
Transfer	05/31/2024	<b>Funds Transfer US Bank MM to CHK</b> Funds Transfer US Bank MM to CHK	1,500,000.00 <hr/> 1,500,000.00
Transfer	06/03/2024	<b>Funds Transfer SB 1383 Grant Funds</b> Funds Transfer SB 1383 Grant Funds	274,786.00 <hr/> 274,786.00
Transfer	06/05/2024	<b>Funds Transfer US Bank to LAIF</b> Funds Transfer US Bank to LAIF	1,000,000.00 <hr/> 1,000,000.00
Transfer	06/05/2024	<b>Funds Transfer 5/29 OC Pass-Thru 34183</b> Funds Transfer 5/29 OC Pass-Thru 34183	95,317.66 <hr/> 95,317.66
Transfer	06/05/2024	<b>Funds Transfer 5/29 OC Residual 34183</b> Funds Transfer 5/29 OC Residual 34183	86,722.26 <hr/> 86,722.26
<b>Transfers Total</b>			<b>\$2,956,825.92</b>

**MCSD Accounts Payable Expenses, Payments, Payroll, and ACH Payment(s) Report Signature**

I hereby certify that I have reviewed the attached expenditures, payments, payroll, and ACH Payments of the Midway City Sanitary District to be reviewed on June 14, 2024, and have determined and verified they are payable within the Annual Budget approved by the Midway City Sanitary District Board of Directors.

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Director Sergio Contreras  
Midway City Sanitary District Treasurer

\_\_\_\_\_  
Date

## AGENDA ITEM 7B

Date: June 18, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Robert Housley, General Manager

Subject: Approve the Transferring and Reallocating of Funds into the Midway City Sanitary District's Reserve and Investment Accounts

### **BACKGROUND**

The Midway City Sanitary District Board of Directors and Staff are responsible for evaluating the District's reserves and looking into the future of the District's needs to formulate a financial strategy to ensure the District's long-term fiscal sustainability.

The Midway City Sanitary District has always maintained reserves, which has contributed to good standings with credit rating agencies; provided financial flexibility in economic downturns; contributed a source of investment income for operations; and assured financial coverage in the event of future emergencies.

### **DISCUSSION**

The purpose of developing reserves and a Reserve Fund Policy tailored to the needs of the District is to establish a funding mechanism that protects against unanticipated events that would adversely affect the financial condition of the District and jeopardize the continuation of critical public health and safety services. Such a policy will ensure the District maintains adequate reserves for long-term infrastructure replacement and refurbishment of equipment, funding of post-employment benefits, debt service and to maintain the District's financial stability.

Having a well formulated strategy benefits the ratepayers of the District by giving the District the ability to pay for a portion of or all the cost of a major purchase or project using reserve funds in lieu of having to raise rates or seek outside financing.

Without adequate reserves the District would struggle to maintain existing service levels, repair and upgrading aging infrastructure and to meet state and federal regulations, possibly resulting in cuts to the services the District provides to its customers.

The Board of Directors and Staff, through the budget process and Board meetings, has identified priorities and the need to set up reserve accounts to meet those priorities so that the District can meet its future obligations with as little impact to the daily operations of the District and its customers. Currently the District has identified 9 areas of designated reserves & 115 Trust funds.

The accounts the Board of Director's and Staff have identified are:

1. **Operating Fund:** These funds are used for day-to-day operations, unforeseen emergencies, unanticipated revenue shortfalls or unexpected expenditure increases.
2. **Orange County Midway City:** These funds are received from the County of Orange Redevelopment Agency to be used solely for capital infrastructure projects within the unincorporated area of Midway City. This reserve has been established to ensure funds are available for the replacement, upgrade and refurbishment of the District's sewer lines located in the unincorporated area of Midway City.
3. **Lift Stations and Sewer Lines:** This reserve has been established to ensure adequate funds are available for the replacement, upgrade and refurbishment of the District's sewer lines and lift stations.
4. **Vehicle Replacements:** This reserve has been established to ensure adequate funds are available for the systematic replacement and refurbishment of the District's sewer, solid waste, and maintenance trucks and vehicles.
5. **Buildings, Equipment, and Facilities:** This reserve has been established to ensure funding will be available to plan for the acquisition, construction, replacement, and repair/maintenance, for infrastructure, land, equipment, and facilities.
6. **Compressed Natural Gas (CNG)/Electrical (EV) Fueling Station:** This reserve has been established to ensure that the District has adequate funds available for the future replacement and repair/Maintenance of the CNG/EV equipment and facility.
7. **Emergencies and Contingencies:** This reserve may be used for unanticipated and nonrecurring extraordinary needs of an emergency nature, including a natural disaster or calamity and in the event of a declared State of Emergency. The fund may also be used for nonrecurring and unforeseen needs, unexpected obligations created by state and federal laws, new public safety or health needs after the budget process has occurred, or opportunities to achieve cost saving. It may also be used to cover revenue shortfalls experienced by the District and for cash flow management purposes.
8. **CERBT 115 Trust Related to OPEB (Retiree medical benefits):** This restricted 115 trust fund was established so that the District can invest funds to achieve cost savings to the District for Other Post-Employment Benefits (OPEB) liabilities. Employees who retire from the District and their eligible dependents may be eligible for retiree medical benefits. This fund is restricted to reimbursement for the cost of retiree OPEB medical benefits only and cannot be used for any other general purpose.

9. **CEPPT 115 Trust Related to Pensions:** This restricted 115 trust fund was established so that the District can invest funds to achieve cost savings to the District for on-going pension costs, and future pension liabilities. Employees are eligible for membership to the District's Defined Benefit Pension plan (CalPERS) upon hire. There are current pension contributions and future liabilities. This fund is restricted for the reimbursement or payment of the cost of current payroll contributions, unfunded liabilities, and additional discretionary payments. This trust fund is restricted and cannot be used for any other general purpose.

Annually, the Midway City Sanitary District (MCSD) Board of Directors conducts open budget workshops that encourage frank and detailed discussions which includes evaluating the District's reserves, reserve policy and the short and long term needs of the District. Reserve accounts and reserve targets are set by the Board with input from the community, staff and the District's capital, strategic and sewer system master plans. During this process individual reserve accounts are created and eliminated and approved by the Board of Directors through adoption of a Resolution. The Board reviews and monitors the District's reserves and reserve targets throughout the year.

A future independent reserve and needs analyses by a third-party consultant may be able to provide additional insight and assist the Board with formulating future reserve priorities, alternatives, strategies, and reserve targets.

#### **FISCAL IMPACT**

There are sufficient funds in the District's accounts to make the proposed transfers without any adverse effect on the day-to-day operations of the District. There is no additional fiscal impact as this is only a reallocation of funds into the different reserve and investment accounts.

#### **STAFF RECOMMENDATION**

Staff recommends that the Board of Directors approve the transferring and reallocating of funds into the Midway City Sanitary District's reserve and investment accounts as presented.

#### **ATTACHMENTS:**

1. Attachment "A" Proposed Transfers/Reallocating of Funds

**ATTACHMENT "A"**

	A	B	C	D	E	F	G	H	I
		Location	Category	Goal	Balance as of 06-06-2024	Over/(Under) Goal	Proposed Transfers	Proposed Adj. Balance	% Funded After Proposed Adj.
1	<b>OPERATING FUNDS</b>		Unrestricted	\$ 10,000,000					
2	Checking	Union Bank	Unrestricted		\$ 715,615				
3	Money Market	Union Bank	Unrestricted		\$ 290,306				
4	Petty Cash	District Safe	Unrestricted		\$ 300				
5	Local Agency Investment Fund	LAIF	Unrestricted		\$ 9,984,698		(2,000,000.00)		
6	California CLASS	CA CLASS	Unrestricted		\$ 1,738,647				
7	<b>Total UNRESTRICTED Operating Funds</b>			\$ 10,000,000	\$ 10,990,919	\$ 990,919	(2,000,000.00)	\$ 8,990,919	89.9%
8	<b>DESIGATED FUNDS</b>								
9	Midway City	LAIF	Designated	\$ 4,000,000	\$ 2,117,443	\$ (1,882,557)	(150,000.00)	\$ 1,967,443	49.2%
10	Buildings, Equipment, and Facilities	LAIF	Designated	\$ 8,000,000	\$ 3,394,417	\$ (4,605,583)	250,000.00	\$ 3,644,417	45.6%
11	Lift Stations & Sewer Lines	LAIF	Designated	\$ 60,000,000	\$ 30,948,299	\$ (29,051,701)	900,000.00	\$ 31,848,299	53.1%
12	CNG/EV Station & Facilities	LAIF	Designated	\$ 5,000,000	\$ 2,022,786	\$ (2,977,214)	500,000.00	\$ 2,522,786	50.5%
13	Vehicle Replacements	LAIF	Designated	\$ 8,000,000	\$ 2,328,957	\$ (5,671,043)	500,000.00	\$ 2,828,957	35.4%
14	Emergencies & Contigencies	CaITRUST	Designated	\$ 3,000,000	\$ 1,449,861	\$ (1,550,139)		\$ 1,449,861	48.3%
15	SB 1383 CalRecycle Grant Funds	CA CLASS	Restricted	\$ 274,786	\$ 274,786	\$ -	-	\$ 274,786	100.0%
16	CERBT 115 Trust Related to OPEB	CalPERS	Restricted	\$ 5,967,867	\$ 7,014,490	\$ 1,046,623		\$ 7,014,490	117.5%
17	CEPPT 115 Trust Related to Pensions	CalPERS	Restricted	\$ 4,800,000	\$ 5,335,091	\$ 535,091		\$ 5,335,091	111.1%
18	<b>Total DESIGNATED Reserves</b>			\$ 99,042,653	\$ 54,886,130	\$ (44,156,523)	2,000,000.00	\$ 56,886,130	57.4%
19	<b>Totals</b>			\$ 109,042,653	\$ 65,877,050	\$ (43,165,603)	\$ -	\$ 65,877,050	67%



## AGENDA ITEM 7C

Date: June 18, 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 May 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. District Building Project by Woodcliff

##### 1.1. The new office building:

- 1.1.1. Contractor has finished the new office building.
- 1.1.2. A new punch list has been created by Architect.
- 1.1.3. Contractor is working on the new punch list items.

##### 1.2. The locker room building:

- 1.2.1. Contractor has finished the Locker room building.
- 1.2.2. A new punch list has been created by Architect.
- 1.2.3. Contractor is working on the new punch list items.

##### 1.3. Landscaping and sitework:

- 1.3.1. Contractor has finished the landscape and the sitework.
- 1.3.2. Complete punch list has been created by Architect.
- 1.3.3. Contractor has finished the punch list items.

##### 1.4. Solar Carport:

- 1.4.1. The internet connectivity has been established and the wiring issues has been resolved.
- 1.4.2. Final inspection is completed by the City's inspector.
- 1.4.3. The District is working with the charging stations vendor, Enel X, to create an account on the online portal. Training will be scheduled for the staff by this Vendor for using the charging stations and the online portal.

2. Plans Reviewed
  - 2.1. Sewer permits (this month): 22.
  - 2.2. Sewer permits (this fiscal year): 182.
  - 2.3. Development projects (trash enclosures and/or sewer lines): 5.
3. Westminster Mall project
  - 3.1. The District received the improvement plans and other documents for review from the City planning department. The District Engineer will provide comments on the provided documents by the end of this month.
  - 3.2. The ownership of the sewer backbone infrastructure in the private property is in question.
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.
    - 4.1.2. AKM will finish in about 7 months. 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 525 manholes will be performed for engineering analysis and Hydraulic Model.
    - 4.1.3. AKM worked on Evaluation of Operation and Maintenance Program (task 8 of the project).
    - 4.1.4. AKM worked on Preparation and Development of Project Management Plans (task 11 of the project).
    - 4.1.5. AKM worked on Addendum No. 2 line item which is Sewer GIS, Survey of Manholes, and Hydraulic Model Update (task 12 of the project).
  - 4.2. SSMP Audit by AKM
    - 4.2.1. SSMP Audit was approved by the by Board on June 4, 2024, as an Amendment 3 to AKM agreement.
    - 4.2.2. The District is working on the requested items for the Audit.
    - 4.2.3. The Audit Report is due within six months after the end of the required 3-year audit period which was May 2, 2024.
  - 4.3. Sewer System Cleaning and CCTV Project By Empire Pipe Cleaning & Equipment
    - 4.3.1. The contractor has finished 40 percent of the project so far.
    - 4.3.2. Contractor will finish in about 7 months.
    - 4.3.3. District Engineer is collaborating with Contractor and AKM to link the CCTV inspection report with GIS in a new software application.

## 5. Sewer Department Activities

5.1. There were not any new sewer emergency cases this month.

5.2. Report of the previous emergency cases:

5.2.1. Broken sewer pipe at the intersection of Webber Pl and Pembroke Ln:

Sewer main spot repair/replacement, manhole replacement, and street repair are completed so far by the contractor, Paulus Engineering. District is waiting for the City to finish the pavement repair project to continue with the remaining portion of the work which is lining of two sewer main segments in this area.

5.2.2. Blocked and possibly damaged siphon at the intersection of Westminster Blvd and Springdale St:

District is working with AKM to prepare an emergency construction repair plans and specs for construction of two manholes to restore the sewer flow.

5.3. There was no 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

6.1. The Sewer Crew and the Sewer Lead attended yearly Safety Fest training.

6.2. District Engineer attended monthly meetings with District Engineer of Costa Mesa Sanitary District.

6.3. District Engineer attended Development Review Team (DRT) meetings at the City of Westminster.

6.4. District Engineer attended the CARB webinar for Advanced Clean Fleets.

6.5. District Engineer attended the Clean Water SoCal in person training for Artificial Intelligence in the Water/Wastewater Sector.

## 7. Preventive Maintenances (PM) and Repairs

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

7.2. Both Hydro Rangers stopped working at Brookhurst lift station. Both Hydro Rangers were replaced by Contractor. Hydro Rangers constantly measure the height of sewage in the wet wells.

7.3. A repair is needed on the portable generator in the yard. The portable generator is still not operational due to more issues.

## 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. California Integrated Water Quality System (CIWQS): monthly report submitted to the board.

**FISCAL IMPACT**

Informational report only.

**STAFF RECOMMENDATION**

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

AGENDA ITEM 7D

Date: June 18, 2024

To: Board of Directors

From: Robert Housley, General Manager

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

Subject: Approve the June 5, 2024 Outreach Committee 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 June 5, 2024 and their recommendations are as follows:

1. The Committee recommends that the District participate in two radio outreach programs. Two directors will attend each radio program. Appointments will be set up in June.
2. The Committee recommends adding Michelle Steel to the Compost/Shredding event mailer.

**FISCAL IMPACT**

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

- Monthly radio outreach \$4,000

**STAFF RECOMMENDATION**

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

**ATTACHMENTS:**

None.

AGENDA ITEM 7E

Date: June 18, 2024  
 To: Board of Directors  
 From: Robert Housley, General Manager  
 Prepared by: Robert Housley, General Manager  
 Subject: Approve and File the Treasurer’s Investment Report for May 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.

MCS D’s total invested cash as of May 31, 2024, is \$55,465,389.01

INVESTMENT	TYPE OF INVESTMENT	MATURITY DATE	YIELD	BOOK VALUE AS OF 5/30/2024	MARKET VALUE AS OF 5/30/2024	% OF PORTFOLIO	MAXIMUM PERCENTAGE OF PORTFOLIO
<b>FDIC Insured Accounts</b>							
US Bank Interest Checking	Checking	Liquid	0.051%	\$ 1,917,201.78	\$ 1,917,201.78	3.46%	None
US Bank Money Market	Money Market	Liquid	0.051%	\$ 288,292.98	\$ 288,292.98	0.52%	20%
Certificate of Deposits	CD	-	-	\$ -	\$ -	0.00%	30%
<b>Total FDIC Insured Accounts</b>				\$ 2,205,494.76	\$ 2,205,494.76	3.98%	
<b>LAIF</b>							
California CLASS (Prime Fund)	Pool	Liquid	4.332%	\$ 49,796,600.19	\$ 49,796,600.19	89.78%	\$75 million
CalTRUST (Medium Term Fund)	Pool/Bond Fund	Liquid	0.670%	\$ 1,532,350.47	\$ 1,449,860.93	2.61%	30%
U.S. Treasury Securities	US Securities	-	-	\$ -	\$ -	0.00%	None
<b>TOTAL Investments</b>				\$ 55,547,878.55	\$ 55,465,389.01	100.00%	

**FISCAL IMPACT**

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

MIDWAY CITY SANITARY DISTRICT  
District Investment Activities  
5/31/2024

	Operating Fund 1040.10	Midway City 1040.20	Buildings Equipment & Facilities 1040.30	Lift Stations & Sewer Lines 1040.40	CNG Station & Fueling Facilities 1040.50	Vehicle Replacement 1040.60	Total LAIF Account No. 7030-005	CA CLASS Prime Fund #1050.00	CalTRUST Medium-Term #114.00
Beginning Balance, 05.01.2024	\$ 9,717,399.01	\$ 1,935,402.66	\$ 3,394,417.08	\$ 30,948,299.04	\$ 2,022,786.03	\$ 2,778,296.37	\$ 50,796,600.19	\$ 2,094,275.64	\$ 1,445,381.45
Investment Income (LAIF, CalTRUST, CA CLASS)									
Market Value Capital Gain/(Loss)									
Transfer from LAIF to US Bank	\$ (1,000,000.00)								
Transfer from US Bank to LAIF									
Transfers LAIF to LAIF	\$ 449,339.20					\$ (449,339.20)			
Transfers US Bank to California CLASS									
Transfers California CLASS to US Bank									
Transfer CalTRUST to/from US Bank									
Ending Balance, 05.31.2024	\$ 9,166,738.21	\$ 1,935,402.66	\$ 3,394,417.08	\$ 30,948,299.04	\$ 2,022,786.03	\$ 2,328,957.17	\$ 49,796,600.19	\$ 2,013,433.13	\$ 1,449,860.93

TOTAL LAIF, U.S. SECURITIES, CA CLASS, CalTRUST & INTEREST RECEIVABLE \$ 53,259,894.25  
 ADD: US BANK \$ 1,917,201.78  
 a. Checking (158301509028) \$ 288,292.88  
 b. Money Market (158200156913)  
 TOTAL DISTRICT CASH ON HAND \$ 55,465,389.01

C E R T I F I C A T I O N

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.

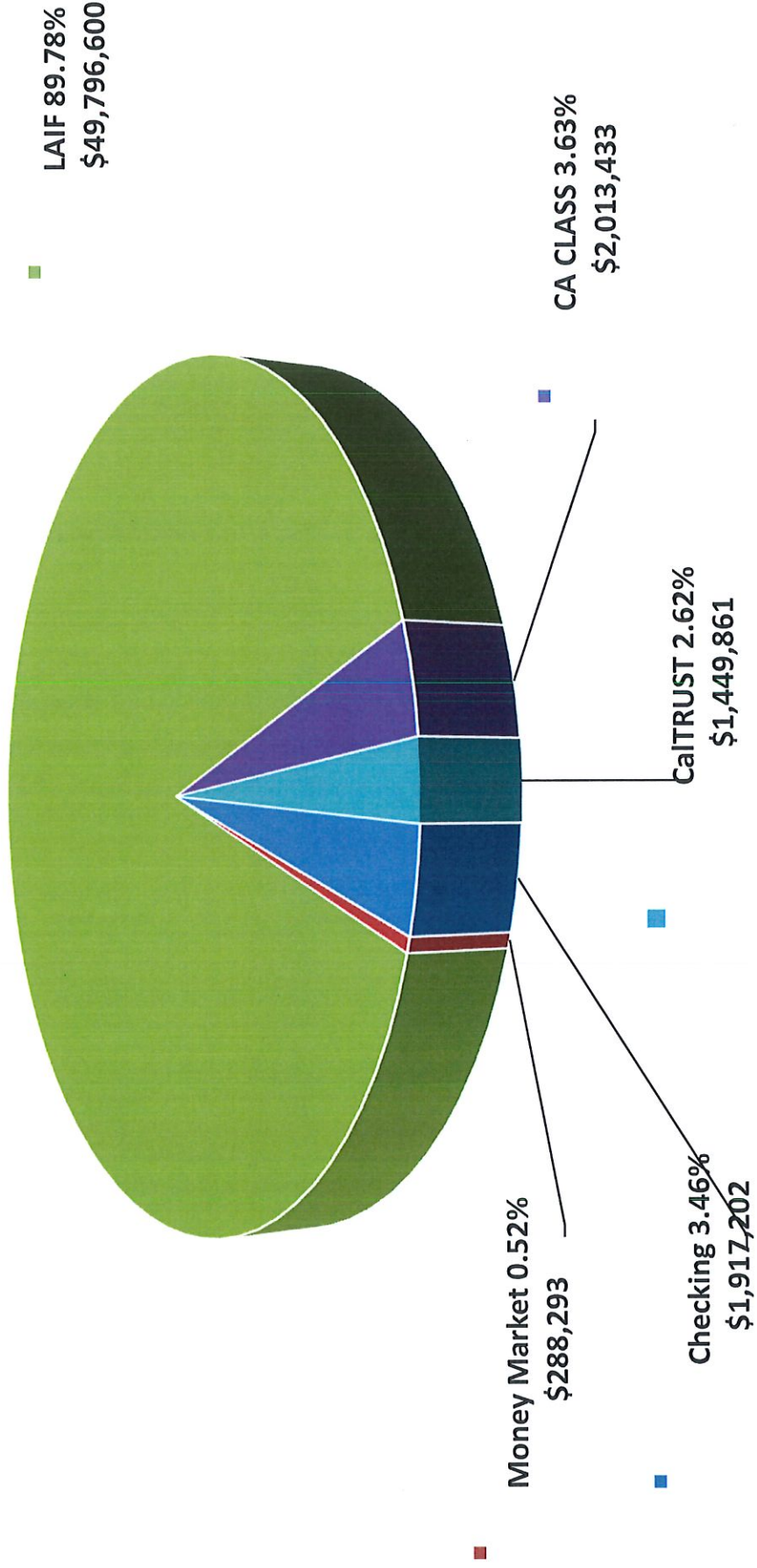
Prepared & Submitted by  
Robert Housley, General Manager

6/14/2024  
Dated

Sergio Contreras, Board Treasurer

Dated

# MCSD Portfolio as of 05.31.2024





California State Treasurer  
**Fiona Ma, CPA**



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

June 14, 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

May 2024 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
5/1/2024	4/30/2024	RW	1752822	1713244	ROBERT HOUSLEY	-500,000.00
5/13/2024	5/10/2024	RW	1753132	1713559	ROBERT HOUSLEY	-500,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	50,796,600.19
Total Withdrawal:	-1,000,000.00	Ending Balance:	49,796,600.19



California State Treasurer  
**Fiona Ma, CPA**



Search



Home PMIA Home Contacts Time Deposits LAIF

Home -> PMIA ->> PMIA Average Monthly Effective Yields



LOCAL AGENCY INVESTMENT FUND

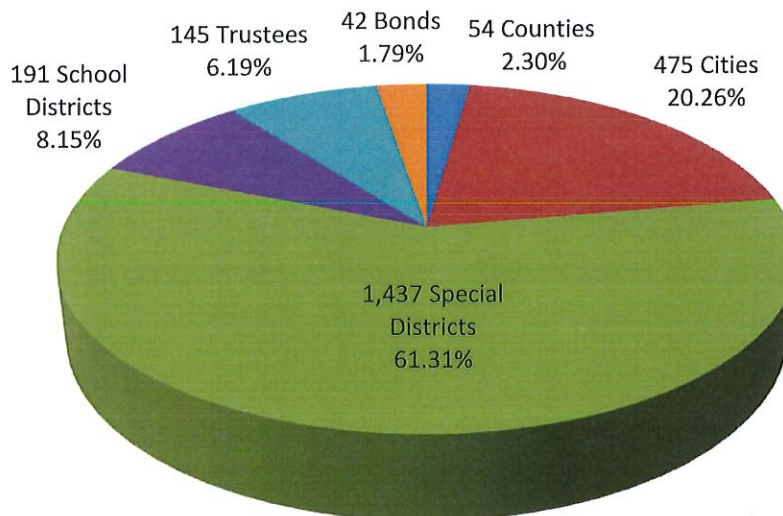
### PMIA Average Monthly Effective Yields

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1977	5.770	5.660	5.660	5.650	5.760	5.850	5.930	6.050	6.090	6.090	6.610	6.730
1978	6.920	7.050	7.140	7.270	7.386	7.569	7.652	7.821	7.871	8.110	8.286	8.769
1979	8.777	8.904	8.820	9.082	9.046	9.224	9.202	9.528	9.259	9.814	10.223	10.218
1980	10.980	11.251	11.490	11.480	12.017	11.798	10.206	9.870	9.945	10.056	10.426	10.961
1981	10.987	11.686	11.130	11.475	12.179	11.442	12.346	12.844	12.059	12.397	11.887	11.484
1982	11.683	12.044	11.835	11.773	12.270	11.994	12.235	11.909	11.151	11.111	10.704	10.401
1983	10.251	9.887	9.688	9.868	9.527	9.600	9.879	10.076	10.202	10.182	10.164	10.227
1984	10.312	10.280	10.382	10.594	10.843	11.119	11.355	11.557	11.597	11.681	11.474	11.024
1985	10.579	10.289	10.118	10.025	10.180	9.743	9.656	9.417	9.572	9.482	9.488	9.371
1986	9.252	9.090	8.958	8.621	8.369	8.225	8.141	7.844	7.512	7.586	7.432	7.439
1987	7.365	7.157	7.205	7.044	7.294	7.289	7.464	7.562	7.712	7.825	8.121	8.071
1988	8.078	8.050	7.945	7.940	7.815	7.929	8.089	8.245	8.341	8.397	8.467	8.563
1989	8.698	8.770	8.870	8.992	9.227	9.204	9.056	8.833	8.801	8.771	8.685	8.645
1990	8.571	8.538	8.506	8.497	8.531	8.538	8.517	8.382	8.333	8.321	8.269	8.279
1991	8.164	8.002	7.775	7.666	7.374	7.169	7.098	7.072	6.859	6.719	6.591	6.318
1992	6.122	5.863	5.680	5.692	5.379	5.323	5.235	4.958	4.760	4.730	4.659	4.647
1993	4.678	4.649	4.624	4.605	4.427	4.554	4.438	4.472	4.430	4.380	4.365	4.384
1994	4.359	4.176	4.248	4.333	4.434	4.623	4.823	4.989	5.106	5.243	5.380	5.528
1995	5.612	5.779	5.934	5.960	6.008	5.997	5.972	5.910	5.832	5.784	5.805	5.748
1996	5.698	5.643	5.557	5.538	5.502	5.548	5.587	5.566	5.601	5.601	5.599	5.574
1997	5.583	5.575	5.580	5.612	5.634	5.667	5.679	5.690	5.707	5.705	5.715	5.744
1998	5.742	5.720	5.680	5.672	5.673	5.671	5.652	5.652	5.639	5.557	5.492	5.374
1999	5.265	5.210	5.136	5.119	5.086	5.095	5.178	5.225	5.274	5.391	5.484	5.639
2000	5.760	5.824	5.851	6.014	6.190	6.349	6.443	6.505	6.502	6.517	6.538	6.535
2001	6.372	6.169	5.976	5.760	5.328	4.958	4.635	4.502	4.288	3.785	3.526	3.261
2002	3.068	2.967	2.861	2.845	2.740	2.687	2.714	2.594	2.604	2.487	2.301	2.201
2003	2.103	1.945	1.904	1.858	1.769	1.697	1.653	1.632	1.635	1.596	1.572	1.545
2004	1.528	1.440	1.474	1.445	1.426	1.469	1.604	1.672	1.771	1.890	2.003	2.134
2005	2.264	2.368	2.542	2.724	2.856	2.967	3.083	3.179	3.324	3.458	3.636	3.808
2006	3.955	4.043	4.142	4.305	4.563	4.700	4.849	4.946	5.023	5.098	5.125	5.129
2007	5.156	5.181	5.214	5.222	5.248	5.250	5.255	5.253	5.231	5.137	4.962	4.801
2008	4.620	4.161	3.777	3.400	3.072	2.894	2.787	2.779	2.774	2.709	2.568	2.363
2009	2.046	1.869	1.822	1.607	1.530	1.377	1.035	0.925	0.750	0.646	0.611	0.569
2010	0.558	0.577	0.547	0.588	0.560	0.528	0.531	0.513	0.500	0.480	0.454	0.462
2011	0.538	0.512	0.500	0.588	0.413	0.448	0.381	0.408	0.378	0.385	0.401	0.382
2012	0.385	0.389	0.383	0.367	0.363	0.358	0.363	0.377	0.348	0.340	0.324	0.326
2013	0.300	0.286	0.285	0.264	0.245	0.244	0.267	0.271	0.257	0.266	0.263	0.264
2014	0.244	0.236	0.236	0.233	0.228	0.228	0.244	0.260	0.246	0.261	0.261	0.267
2015	0.262	0.266	0.278	0.283	0.290	0.299	0.320	0.330	0.337	0.357	0.374	0.400
2016	0.446	0.467	0.506	0.525	0.552	0.576	0.588	0.614	0.634	0.654	0.678	0.719
2017	0.751	0.777	0.821	0.884	0.925	0.978	1.051	1.084	1.111	1.143	1.172	1.239
2018	1.350	1.412	1.524	1.661	1.755	1.854	1.944	1.998	2.063	2.144	2.208	2.291
2019	2.355	2.392	2.436	2.445	2.449	2.428	2.379	2.341	2.280	2.190	2.103	2.043
2020	1.967	1.912	1.787	1.648	1.363	1.217	0.920	0.784	0.685	0.620	0.576	0.540
2021	0.458	0.407	0.357	0.339	0.315	0.262	0.221	0.221	0.206	0.203	0.203	0.212
2022	0.234	0.278	0.365	0.523	0.684	0.861	1.090	1.276	1.513	1.772	2.007	2.173
2023	2.425	2.624	2.831	2.870	2.993	3.167	3.305*	3.434	3.534	3.670	3.843	3.929
2024	4.012	4.122	4.232	4.272	4.332							

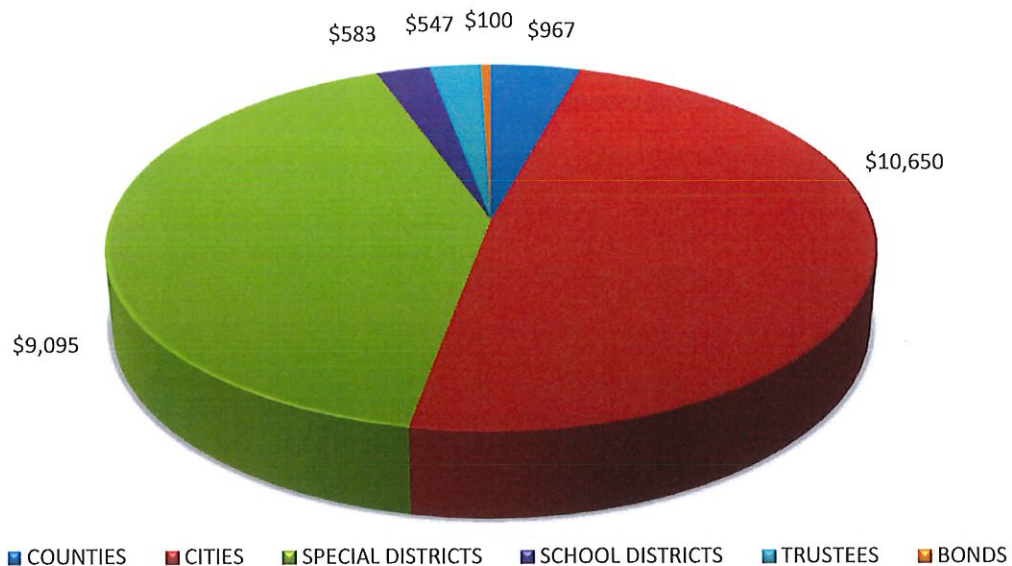
## LAIF STATISTICS AS OF 05/31/24

	Balance By Type	Participation	% of Fund
54 COUNTIES	966,963,843.01	2.30%	4.41%
475 CITIES	10,649,851,457.13	20.26%	48.54%
1,437 SPECIAL DISTRICTS	9,094,698,286.16	61.31%	41.45%
191 SCHOOL DISTRICTS	582,766,368.08	8.15%	2.66%
145 TRUSTEES	546,549,188.77	6.19%	2.49%
42 BONDS	99,501,485.05	1.79%	0.45%
<b>2,344 Fund Balance:</b>	<b>\$21,940,330,628.20</b>	<b>100.00%</b>	<b>100.00%</b>

Participation:



Balance by Type (dollars in millions):



Percentages may not total 100% due to rounding.



# Summary Statement

May 31, 2024

Page 1 of 3

Investor ID: CA-01-0164

0000152-0000594 PDF 655689

Midway City Sanitary District  
14451 Cedarwood Street  
Westminster, CA 92708

## California CLASS

### California CLASS

Average Monthly Yield: 5.3943%

	Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
CA-01-0164-0001 Operating Funds	2,004,275.64	0.00	0.00	9,157.49	13,433.13	2,004,571.04	2,013,433.13
<b>TOTAL</b>	<b>2,004,275.64</b>	<b>0.00</b>	<b>0.00</b>	<b>9,157.49</b>	<b>13,433.13</b>	<b>2,004,571.04</b>	<b>2,013,433.13</b>

Tel: (877) 930-5213

www.californiaclass.com

Operating Funds

Account Summary

Average Monthly Yield: 5.3943%

Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
2,004,275.64	0.00	0.00	9,157.49	13,433.13	2,004,571.04	2,013,433.13

California CLASS

Transaction Activity

Transaction Date	Transaction Description	Contributions	Withdrawals	Balance	Transaction Number
05/01/2024	Beginning Balance			2,004,275.64	
05/31/2024	Income Dividend Reinvestment	9,157.49			
05/31/2024	Ending Balance			2,013,433.13	

**California CLASS**

California CLASS

Date	Dividend Rate	Daily Yield
05/01/2024	0.000147486	5.3980%
05/02/2024	0.000147307	5.3914%
05/03/2024	0.000441009	5.3803%
05/04/2024	0.000000000	5.3803%
05/05/2024	0.000000000	5.3803%
05/06/2024	0.000147091	5.3835%
05/07/2024	0.000147043	5.3818%
05/08/2024	0.000146979	5.3794%
05/09/2024	0.000146938	5.3779%
05/10/2024	0.000441057	5.3809%
05/11/2024	0.000000000	5.3809%
05/12/2024	0.000000000	5.3809%
05/13/2024	0.000147426	5.3958%
05/14/2024	0.000147421	5.3956%
05/15/2024	0.000147335	5.3925%
05/16/2024	0.000147512	5.3990%
05/17/2024	0.000442227	5.3952%
05/18/2024	0.000000000	5.3952%
05/19/2024	0.000000000	5.3952%
05/20/2024	0.000147406	5.3951%
05/21/2024	0.000147729	5.4069%
05/22/2024	0.000147676	5.4049%
05/23/2024	0.000147665	5.4045%
05/24/2024	0.000590412	5.4023%
05/25/2024	0.000000000	5.4023%
05/26/2024	0.000000000	5.4023%
05/27/2024	0.000000000	5.4023%
05/28/2024	0.000147711	5.4062%
05/29/2024	0.000147733	5.4070%
05/30/2024	0.000147907	5.4134%
05/31/2024	0.000147907	5.4134%

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

X

CACCLASS

As Of Date: 05/31/2024

NAV

\$1.00

Shares:	1,555,164,540.760
Fund Balance:	\$1,555,086,611.46
Dividend Rate:	0.000147906654
Current Yield:	N/A
Daily Yield:	5.4134%
7-Day Yield:	5.4067%
30-Day Yield:	5.3942%



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

05/01/2024 through 05/31/2024

### SUMMARY OF INVESTMENTS

Fund	Account Number	Total Shares Owned	Net Asset Value per Share on May 31 (\$)	Value on May 31 (\$)	Average Cost Amount (\$)	Cumulative Change in Value (\$)
MIDWAY CITY SANITARY DISTRICT	20100007910					
CalTRUST Medium Term Fund	20100007910	149,316.265	9.71	1,449,860.93	1,532,350.47	(82,489.54)
Portfolios Total value as of 05/31/2024				1,449,860.93		

### 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) (\$)
CalTRUST Medium Term Fund		MIDWAY CITY SANITARY DISTRICT			Account Number: 20100007910			
Beginning Balance	05/01/2024			149,316.265	9.68	1,445,381.45		
Accrual Income Div Cash	05/31/2024	5,169.07	0.000	149,316.265	9.71	1,449,860.93	0.00	0.00
Change in Value						4,479.48		
Closing Balance as of	May 31			149,316.265	9.71	1,449,860.93		

Please note that this information should not be construed as tax advice and it is recommended that you consult with a tax professional regarding your account.





## 2024 CalTRUST Closures

Please note that the CalTRUST Funds will be closed for trading on the following days:

Date	Holiday
January 1, 2024	New Year's Day
January 15, 2024	Martin Luther King, Jr. Day
February 19, 2024	Presidents' Day
March 29, 2024	Good Friday
May 27, 2024	Memorial Day
June 19, 2024	Juneteenth National Independence Day
July 4, 2024	Independence Day
September 2, 2024	Labor Day
October 14, 2024	Indigenous Peoples Day
November 11, 2024	Veterans Day
November 28, 2024	Thanksgiving Day
December 25, 2024	Christmas Day

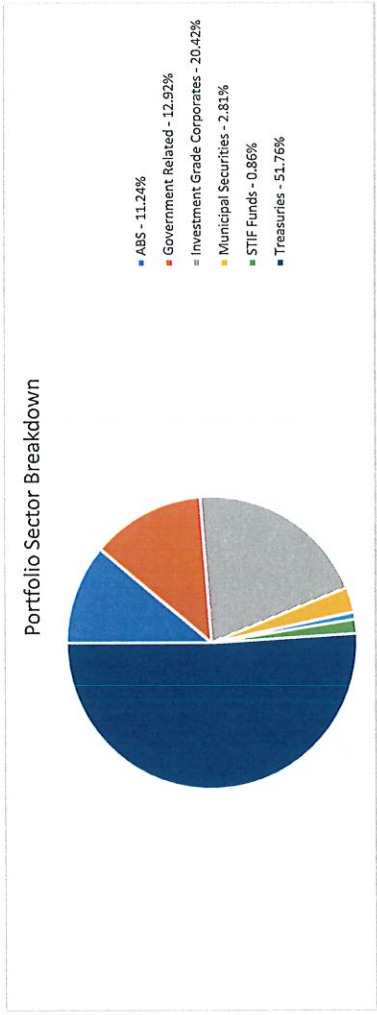
### EARLY CLOSES:

March 28, May 24, July 3, November 29, December 24, and December 31



	CallTRUST Medium Term	BofAML 1-3 Corp & Gov't, A Rated and Above	CallTRUST Medium Term Net Total Return	CallTRUST Medium Term Yield	BofAML 1-3 Corp & Gov't, A Rated and Above
Net Assets	\$997,165,715.78	N/A	0.67%	0.36%	0.72%
NAV per Share	\$5.71	N/A	0.61%	1.02%	0.82%
30 Day SEC Yield	4.77%	N/A	1.79%	2.00%	2.09%
Distribution Yield	4.21%	N/A	3.57%	3.89%	3.99%
Period Net Total Return	0.67%	0.72%	2.09%	3.12%	2.13%
Effective Duration	2.09 yrs	N/A	0.35%	2.24%	0.35%
Average Maturity	2.33 yrs	N/A	1.23%	1.91%	1.28%
Weighted Average Life	2.29 yrs	N/A	1.21%	1.61%	1.31%
			1.86%	2.00%	2.15%

\*Annualized



Rated AA-F by S&P Global Ratings

**Midway City Sanitary District  
CalTRUST Summary**

**CalTRUST - Medium-Term Fund**

	Investment + '+'	Dividends '+'	Distribution of Dividend (-)	Capital Gain or Loss (-)	Balance
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
\$ 1,500,000.00					
\$ 103,654.26		\$ (71,303.79)		\$ (82,489.54)	

AGENDA ITEM 9A

Date: June 18, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Robert Housley, General Manager

Subject: **PUBLIC HEARING AND ADOPTION OF RESOLUTION NO. 2024-13 OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, APPROVING A REPORT ON SPECIAL USER CHARGES PURSUANT TO SPECIAL USAGE PERMIT AGREEMENT AND COVENANT DOCUMENTS AND DIRECTING THE COUNTY AUDITOR TO ADD SUCH SPECIAL USAGE CHARGES TO THE JULY 1, 2024 THROUGH JUNE 30, 2025 SECURED TAX ROLL PURSUANT TO ORDINANCE NO. 26**

**BACKGROUND**

Pursuant to Ordinance No. 26 of the Midway City Sanitary District (District), the Board of Directors annually adopts a Resolution to impose and collect special usage charges for services and facilities provided by the District to properties annexed to the District subsequent to July 20, 1981. The special usage charges are provided to the Orange County Assessor’s Office to be placed on the annual Tax Roll and the Orange County Tax Collectors Office collects the charges and forwards payment to the Midway City Sanitary District.

**DISCUSSION**

By Special Agreement, the District and owners of annexed properties have executed Special Usage Permit Agreement and Restrictive Covenant documents which contain an agreement that the special user fee may be collected on the tax roll. There is currently a total of 340 special agreements.

Properties subject to the special usage fees, and the amount of such fees, appear on the report attached as Exhibit “A”.

**FISCAL IMPACT**

Total special usage charges pursuant to be added to the Secured Tax Roll is \$225,673.42 (+\$7,144.47 from the prior year).

(next page)

## **STAFF RECOMMENDATION**

Staff recommends that the Board of Directors take the following actions:

1. Conduct a public hearing and take public testimony regarding the report of charges per parcel for Sanitation and Sewer User Fees, pursuant to Special Usage Permit Agreement and Covenant Documents, to be added to the Orange County Secured Tax Roll.
2. Approve Resolution No. 2024-13.

## **ATTACHMENTS:**

1. Resolution No. 2024-13 Special User Charges Pursuant to Special Usage Permit Agreement & Covenant Documents

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**RESOLUTION NO. 2024-13**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY,  
CALIFORNIA, APPROVING A REPORT ON SPECIAL USER  
CHARGES PURSUANT TO SPECIAL USAGE PERMIT  
AGREEMENT AND COVENANT DOCUMENTS AND  
DIRECTING THE COUNTY AUDITOR TO ADD SUCH  
SPECIAL USAGE CHARGES TO THE JULY 1, 2024  
THROUGH JUNE 30, 2025 SECURED TAX ROLL  
PURSUANT TO ORDINANCE NO. 26**

Upon motion duly made, seconded and carried, the Board of Directors of the MIDWAY CITY SANITARY DISTRICT does hereby resolve as follows:

1. That by the adoption of Ordinance No. 26, the Board of Directors of the MIDWAY CITY SANITARY DISTRICT elected to impose and collect special usage charges services and facilities provided by said District to properties annexed to said District subsequent to July 20, 1981.

2. That the MIDWAY CITY SANITARY DISTRICT and owners of annexed properties have executed Special Usage Permit Agreement and Restrictive Covenant documents which have been recorded with the County Recorder and said documents, as required by Ordinance No. 26, contain an agreement that the special user fee may be collected on the tax roll in the same manner, by the same person, and at the same time as, together and not separately from, the general taxes of the District.

3. That the following special user fee was established by Ordinance No. 26 and by such Agreements as follows:

A. The rates and charges for this service are a fee which is equal to three percent (3%) of one percent (1%) of the annual property tax increments from said property beginning with the fiscal year in which the annexation of said property

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was approved by Resolution of the District's Board of Directors, or said Special Usage Permit Agreement and Restrictive Covenant was recorded, whichever occurred earlier;

B. The annual property tax increment is defined as that amount by which the property tax on said property has increased since the fiscal year immediately preceding the fiscal year during which the annexation of said property was approved by Resolution of the District's Board of Directors.

4. That the description of the real property subject to the above special usage fees, and the amount of such fees, appear on the attached listing as Exhibit "A".

5. That pursuant to Health and Safety Code Section 5473, a report has been filed with the District's Secretary containing a description of each parcel of real property and the amount of charges imposed by Ordinance No. 26 and such Agreements for the fiscal year 2024-2025.

6. That pursuant to Health and Safety Code Section 5473.1, the filing of the report was duly noticed as required by law by publication once each week for two (2) successive weeks in the Westminster Herald Journal, a newspaper of general circulation, printed and published in the MIDWAY CITY SANITARY DISTRICT, of a notice of a public hearing to be held on June 18, 2024 at the Board's meeting room located at 14451 Cedarwood Avenue, Westminster, CA 92683, to consider oral and written objections or protests regarding such report.

7. That pursuant to such notice, a public hearing to hear all objections or protests, if any, to the aforesaid report and proposed charges was held at the date and time set forth in such notice.

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8. That after considering all protests, if any, the Board has determined that such report should be approved as filed.

9. That the County Auditor be, and hereby is ordered and directed to add such special usage fees to the July 1, 2024 – June 30, 2025 secured tax roll.

10. That the Secretary shall cause a copy of this Resolution and such report, in either written or electronic form, to be filed with the Orange County Auditor on or before August 10, 2024.

PASSED AND ADOPTED at a meeting of the Board of Directors of the MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, held this 18<sup>th</sup> day of June, 2024.

\_\_\_\_\_  
Mark Nguyen, President

ATTEST:

\_\_\_\_\_  
Andrew Nguyen, Secretary





AGENDA ITEM 9B

Date: June 18, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Robert Housley, General Manager

Subject: **PUBLIC HEARING AND ADOPTION OF RESOLUTION NO. 2024-14 OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, APPROVING A REPORT ON SANITATION AND SEWER USER CHARGES AND DIRECTING THE COUNTY AUDITOR TO ADD SUCH USER CHARGES TO THE JULY 1, 2024 THROUGH JUNE 30, 2025 SECURED TAX ROLL PURSUANT TO ORDINANCE NO. 72 AND ORDINANCE NO. 73**

**BACKGROUND**

For the rates and charges for sanitation and sewage services and facilities provided by the Midway City Sanitary District (District) to be collected on the tax rolls, Health & Safety Code Section 5473 *et. seq.* requires that the Board of Directors annually hold a public hearing and approve a report describing the amount of the charges for each parcel for the year. The report is provided to the Orange County Assessor’s office to be placed on the Tax Roll and the Orange County Tax-Collector collects the charges and forwards the payments to the District.

**DISCUSSION**

Pursuant to proposed Ordinance Nos. 72 and 73, the rates for the Fiscal Year July 1, 2024 through June 30, 2025 are as follows:

Curbside solid waste cart service:	\$201.57 per unit (EDU)
For each additional cart of service:	\$39.22 for each additional cart
Residential and nonresidential sewer service:	\$103.43 per unit (EDU)

A report detailing the total amount of the charges for each parcel receiving curbside solid waste and/or sanitary sewer services from the District was made available for review at the District’s offices.

**FISCAL IMPACT**

Preliminary charges to be added to the secured tax roll for Fiscal Year 2024-2025 are approximately \$7,898,667.64 (+ \$230,058 from the prior year). Final fees to be determined by the August 10, 2024 due date to the County Assessor’s Office.

(next page)

## **STAFF RECOMMENDATION**

Staff recommends that the Board of Directors take the following actions:

1. Conduct a public hearing and take public testimony regarding the report of charges per parcel for the sanitation and sewage services and facilities provided by the District, to be added to the Orange County Secured Tax Roll.
2. Approve Resolution No. 2024-14.

## **ATTACHMENTS:**

1. Resolution No. 2024-14 Approving Sanitation and Sewer User Charges and Collection of Fees

**RESOLUTION NO. 2024-14**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, APPROVING A REPORT ON SANITATION AND SEWER USER CHARGES AND DIRECTING THE COUNTY AUDITOR TO ADD SUCH USER CHARGES TO THE JULY 1, 2024 THROUGH JUNE 30, 2025 SECURED TAX ROLL PURSUANT TO ORDINANCE NO. 72 AND ORDINANCE NO. 73.**

WHEREAS, Ordinance No. 72 adjusting user fee rates for sanitary sewer services was adopted by the Board of Directors of the Midway City Sanitary District on June 21, 2022.

WHEREAS, Ordinance No. 73 adjusting user fee rates for residential solid waste services was adopted by the Board of Directors of the Midway City Sanitary District on June 21, 2022.

Upon motion duly made, seconded and carried, the Board of Directors of the MIDWAY CITY SANITARY DISTRICT does hereby resolve as follows:

1. That by the adoption of Ordinance No. 72, the Board of Directors of the MIDWAY CITY SANITARY DISTRICT elected to adjust the rates and charges for sanitary sewer services and facilities provided by said District. Ordinance 72 authorized a sewer service fee of \$103.43 for each residential, commercial, or industrial unit or activity per year for the fiscal year July 1, 2024 – June 30, 2025.

2. That by the adoption of Ordinance No. 73, the Board of Directors of the MIDWAY CITY SANITARY DISTRICT elected to adjust the rates and charges for solid waste services to parcels that receive Curbside Container Service from the District. Ordinance 73 authorized an annual solid waste collection fee of \$201.57 for each unit of service, and an annual fee of \$39.22 for each additional solid waste cart provided as part of the basic Curbside Collection Service, for the fiscal year July 1, 2024 – June 30, 2025.

1           3. That pursuant to Health and Safety Code Section 5473, a report has been filed  
2 with the District's Secretary containing a description of each parcel of real property and the  
3 amount of the charges imposed by Ordinance Nos. 72 and 73, for the fiscal year July 1,  
4 2024 – June 30, 2025.

5           4. That pursuant to Health and Safety Code Section 5473.1, the filing of the report  
6 was duly noticed as required by law by publication once each week for two (2) successive  
7 weeks in the Westminster Herald Journal, a newspaper of general circulation, printed and  
8 published in the MIDWAY CITY SANITARY DISTRICT, of a notice of a public hearing to be  
9 held on June 18<sup>th</sup>, 2024 at the Board's meeting room located at 14451 Cedarwood Street,  
10 Westminster, CA 92683, to consider oral and written objections or protests regarding such  
11 report.  
12

13           5. That pursuant to such notice, a public hearing to hear all objections or protests, if  
14 any, to the aforesaid report and proposed charges was held at the date and time set forth in  
15 such notice.  
16

17           6. That after considering all protests, if any, the Board has determined that such  
18 report should be approved as filed.

19           7. That the County Auditor be, and hereby is ordered and directed to add such  
20 sewerage and sanitation (solid waste) usage fees to the 2024-2025 secured tax roll.  
21

22           8. That the Secretary shall cause a copy of this Resolution and such report, in either  
23 written or electronic form, to be filed with the Orange County Auditor on or before August 10,  
24 2024.  
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PASSED AND ADOPTED at a meeting of the Board of Directors of the MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, held this 18<sup>th</sup> day of June, 2024.

\_\_\_\_\_  
Mark Nguyen, President

**ATTEST:**

\_\_\_\_\_  
Andrew Nguyen, Secretary



## AGENDA ITEM 9C

Date: June 18, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Robert Housley, General Manager

Subject: **PUBLIC HEARING AND ADOPTION OF RESOLUTION NO. 2024-15 OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, ADOPTING THE SPECIAL DISTRICT GENERAL FUND BUDGET FOR THE FISCAL YEAR JULY 1, 2024 THROUGH JUNE 30, 2025**

### **BACKGROUND**

Prior to July 1<sup>st</sup> of each year, the Midway City Sanitary District (District) is required to adopt an annual budget for all funds of the District. The preparation and approval of the budget is a multistep process that concludes with the formal adoption of the budget document by the Board of Directors.

The proposed budget represents a balanced spending plan for the delivery of services and programs to the residents and businesses of the District, as well as proving a legal basis for the expenditure of public funds.

### **DISCUSSION**

Over the past year, we have made significant strides in understanding and anticipating the needs of our diverse customer base and infrastructure needs. This budget reflects our dedication to deepening these relationships by investing in advanced technologies, streamlined processes that prioritize customer satisfaction, and evaluating and implementing advancement of the District's infrastructure and needs in wastewater and refuse collection. Our approach is guided by the belief that exceptional service, and being proactive vs reactive in protecting the health and safety of the environment and the people we serve is the cornerstone of the District's long-term success.

Innovation and partnerships continue to be a driving force within our organization. We are allocating substantial resources to wastewater and refuse collection, planning/research, and services/program development, ensuring that we stay at the forefront of industry advancements. By embracing new technologies forming strong community partnerships and fostering a culture of continuous improvement, we aim to create services that not only meet but exceed our customers' expectations.

Key initiatives for the upcoming fiscal year include:

1. **Enhancing Customer Experience.** We are committed to refining our customer services practices and implementing new platforms that provide seamless and efficient interactions.



This includes upgrading our training programs to ensure our team is equipped with the skills to delivery exceptional services. Additionally, we will strive for a better awareness and recognition of our District, highlighting who we are and what we do to enhance the customer experience. Through targeted marketing and community engagement, we aim to build a stronger connection with our customers and stakeholders. The community is our greatest supporter and our biggest advocates.

2. **Investing in Technology and Innovation.** The budget allocates significant funds to the development of innovative solutions that address current demands and anticipate future trends. We are focused on streamlining our technology, exploring artificial intelligence, and using technologies to enhance not only our customer experience but to enhance our operational efficiencies as well. By investing in technologies such as automated systems, pre post trip inspections, predictive maintenance, and smart infrastructure, we aim to streamline our operations, reduce our costs, and minimize errors. These advancements will enable us to improve the quality of services we provide, ensuring faster response times, greater accuracy, and more reliable services. Additionally, we are committed to adopting sustainable technologies that reduce our environmental impact, further aligning our operations with our stewardship goals.
3. **Infrastructure and Environmental Stewardship.** We are dedicated to implementing new and strong foundations in the infrastructure of the wastewater system and refuse collection. This includes modernizing our existing facilities, our fleet, and expanding our capabilities to handle increased demand efficiently and safely. Our initiatives include the updating of our sewer system master plan, preparation of a new capital improvement plan, the enhancement, repairs, and replacement of existing sewer lines and manholes, replacing several fossil fuel vehicles with electric vehicles, a solar microgrid project with expansion to support electric refuse trucks (EV). Additionally, we are committed to being stewards of the environment through comprehensive recycling and solid waste management programs. This involves developing existing and new services and initiatives aimed at reducing our environmental footprint, such as utilizing advanced waste sorting technologies, community recycling education programs, and partnerships with local organizations, community activist, media, and schools. Our goal is to create a robust, sustainable infrastructure that supports both our operational needs and our environmental responsibilities.
4. **Employee Development.** Recognizing that our employees are our greatest asset, we are investing in their professional development. By providing access to the latest training and development programs, we aim to cultivate a highly skilled and motivated workforce that can drive our customer-focused and innovative agenda. This includes specialized training in new technologies and safety protocols to ensure our staff is prepared to meet the challenges of an always evolving industry.

The budgets for the District consist of a \$18,053,358 operating budget and a \$3,642,000 capital outlay and improvements budget.

**FISCAL IMPACT**

The adoption of the attached Resolution results in the legal appropriation of \$21,695,358 in District monies for Fiscal Year 2024-2025. The proposed operating budget is balanced.

A summary of the District’s proposed Fiscal Year 2024-2025 operating & capital outlay/improvements budgets are as follows:

Operating Budget	\$18,053,358
Capital Outlay/Improvements Budget & Misc.	\$3,642,000
Potential Increase in Net Position/Fund Balance	\$1,222,898

**STAFF RECOMMENDATION**

Staff recommends that the Board of Directors take the following actions:

1. Conduct a public hearing and take public testimony regarding the Proposed Budget.
2. Adopt Resolution No. 2024-15 approving the Midway City Sanitary District’s annual Budget for Fiscal Year 2024-2025.

**ATTACHMENTS:**

1. Resolution No. 2024-15
2. Fiscal Year 2024-2025 Budget Document

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**RESOLUTION NO. 2024-15**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, ADOPTING THE SPECIAL DISTRICT GENERAL FUND BUDGET FOR THE FISCAL YEAR JULY 1, 2024 THROUGH JUNE 30, 2025**

**BE IT RESOLVED**, by the Board of Directors of Midway City Sanitary District, of Orange County, California, that the Special District General Fund Budget for the fiscal year 2024-2025 is hereby adopted. A copy of said budget is attached hereto.

**PASSED AND ADOPTED** at a meeting of the Board of Directors of Midway City Sanitary District, of Orange County, California, held this 18<sup>th</sup> day of June 2024.

\_\_\_\_\_  
Mark Nguyen, President

ATTEST:

\_\_\_\_\_  
Andrew Nguyen, Secretary



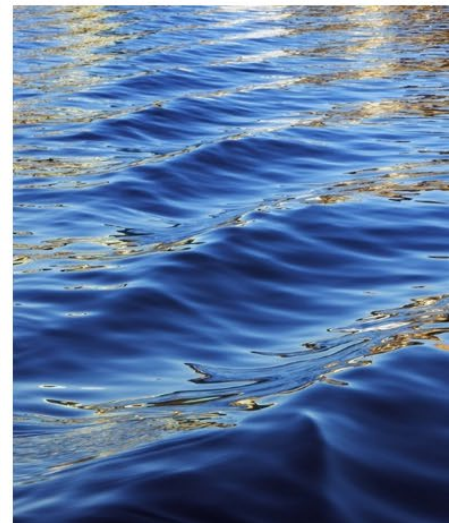
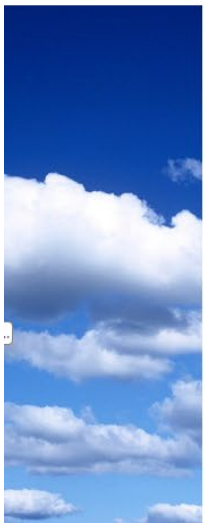
# MIDWAY CITY SANITARY DISTRICT



Proudly Serving  
Westminster & Midway City  
Since 1939

## FISCAL YEAR 2024-2025 BUDGET

14451 CEDARWOOD AVENUE  
WESTMINSTER, CA 92683  
(714)893-3553  
[WWW.MIDWAYCITYSANITARYCA.GOV](http://WWW.MIDWAYCITYSANITARYCA.GOV)



### Our Mission Statement

**"The Board of Directors and Employees of 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."**

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# MIDWAY CITY SANITARY DISTRICT

ANNUAL BUDGET

FISCAL YEAR JULY 1, 2024 - JUNE 30, 2025



SUBMITTED & PREPARED BY  
**ROBERT HOUSLEY, GENERAL MANAGER**

FINANCE DEPARTMENT  
VACANT, DIRECTOR OF FINANCE

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# Midway City Sanitary District

## Elected Officials



**Mark Nguyen**

President

(714)893-3553

[mnguyen@midwaycitysanitaryca.gov](mailto:mnguyen@midwaycitysanitaryca.gov)



**Chi Charlie Nguyen**

President Pro-Tempore

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**Andrew Nguyen**

Secretary

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**Sergio Contreras**

Treasurer

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**Tyler Diep**

Secretary & Treasurer Pro-Tempore

(714)893-3553

[tdiep@midwaycitysanitaryca.gov](mailto:tdiep@midwaycitysanitaryca.gov)

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# TABLE OF CONTENTS

Mission Statement (cover page)

## **TRANSMITTAL**

Executive Summary 7

## **GENERAL INFORMATION**

Vision Statement, Core Values 11

District Map 12

District Organizational Chart 13

District Information/Statistics 14

Gann Appropriations Limit 17

## **BUDGET**

Budget Process, Basis of the Budget, & Budgetary Guidelines 18

Budget Calendar 19

Budget Assumptions 20

## **OPERATING & CAPITAL OUTLAY/IMPROVEMENTS BUDGET**

General/Enterprise Fund 25

Operating Budget 26

Capital Outlay & Improvements Budget 27

Revenues 28

Expenditures by Department 29

## **DEPARTMENTS**

Board of Directors 31

Administration 32

Fleet Maintenance 33

Solid Waste 34

Wastewater/Sewer 35

## **SUPPLEMENTAL INFORMATION & POLICIES**

Budget Adoption Resolution No. 2024-15 37

Appropriations Limit Resolution No. 2024-11 38

Special Agreements Resolution No. 2024-13 41

User Fees Resolution No. 2024-14 44

Direct Deposits and Invested Funds Resolution No. 2024-08 46

Investment Policy Resolution No. 2024-09 51

Purchasing Policy and Procedures Resolution No. 2023-09 57

Travel Policy Resolution No. 2017-02 79

## **GLOSSARY OF TERMS**

86



## Executive Summary

June 18, 2024

Honorable Board of Directors:

As we embark on the fiscal year 2024-2025, it is my pleasure to present a budget that underscores the Midway City Sanitary District's (District) unwavering commitment to customer-focused service and relentless innovation. Our strategic vision remains centered on enhancing the experiences of our customers, delivering unparalleled value through cutting edge solutions, and our responsibility towards environmental stewardship for a better tomorrow.

Over the past year, we have made significant strides in understanding and anticipating the needs of our diverse customer base and infrastructure needs. This budget reflects our dedication to deepening these relationships by investing in advanced technologies, streamlined processes that prioritize customer satisfaction, and evaluating and implementing advancement of the District's infrastructure and needs in wastewater and refuse collection. Our approach is guided by the belief that exceptional service, and being proactive vs reactive in protecting the health and safety of the environment and the people we serve is the cornerstone of the District's long-term success.

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The budgets for the District consist of a \$18,053,358 operating budget and a \$3,642,000 capital outlay and improvements budget. The District will take on several capital projects and asset replacement in 2024-2025. Several sewer/wastewater projects will be planned, as well as additional solar and a microgrid project, accompanied by the replacement of several old vehicles with newer EV versions. The District will continue the cleaning and CCTV of the whole sewer system, the spraying manholes for bugs &

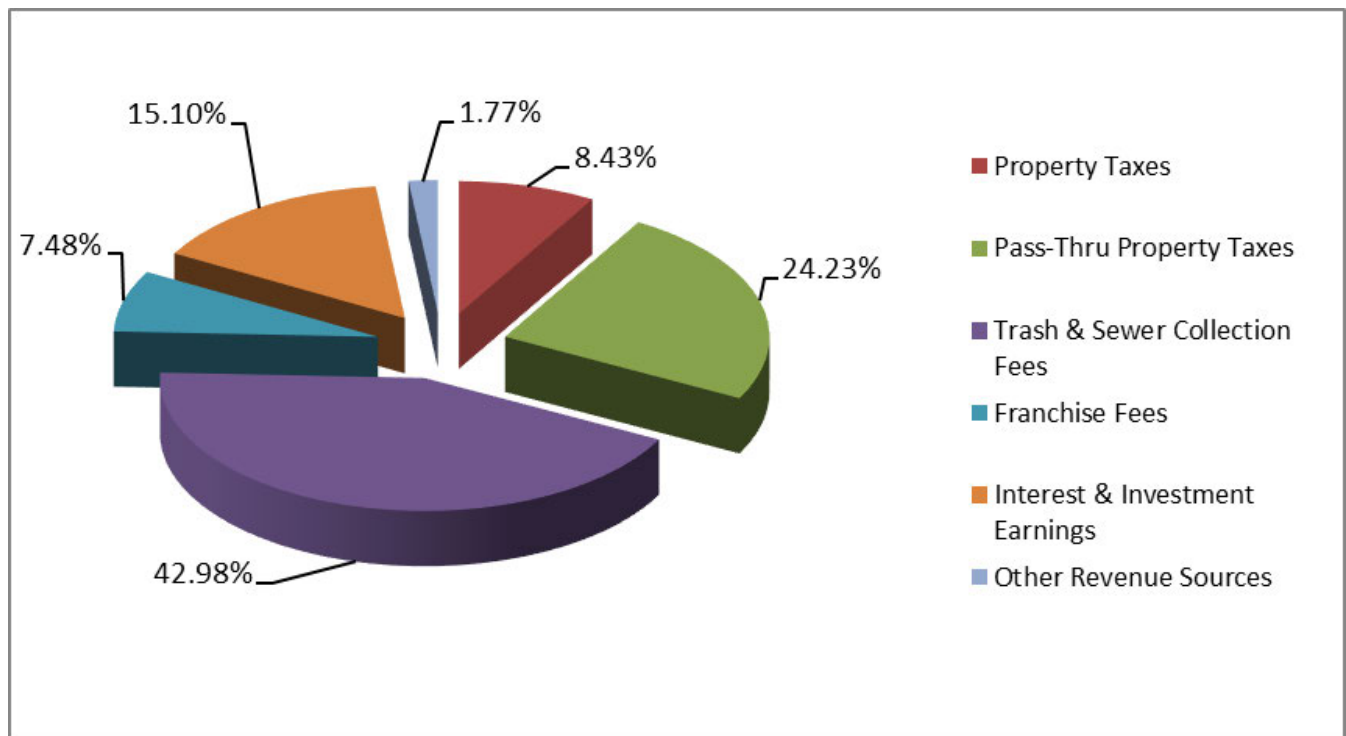
pests, analyzing manholes for composite covers and flow monitors, and the completion of a Sewer System Master Plan that will create a capital repair and maintenance plan of our sewers for the next 10 years.

The size of these budgets is indicative of the breadth, depth and diversity of services, projects, and activities undertaken by the Midway City Sanitary District for public health and safety, quality of life, and infrastructure maintenance.

Revenues by Source

Midway City Sanitary District (MCSD) receives its revenues from a variety of sources. The pie-chart below reflects MCSD's primary source of funding for District activities. Predominately MCSD's funding, 42.98% comes from trash and sewer service Fees assessed to users of the sewer and solid waste services MCSD provides. The second highest source of funding is the portion of Ad Valorem Taxes and Pass-thru property tax funds MCSD receives from property owners of the District at 32.66%.

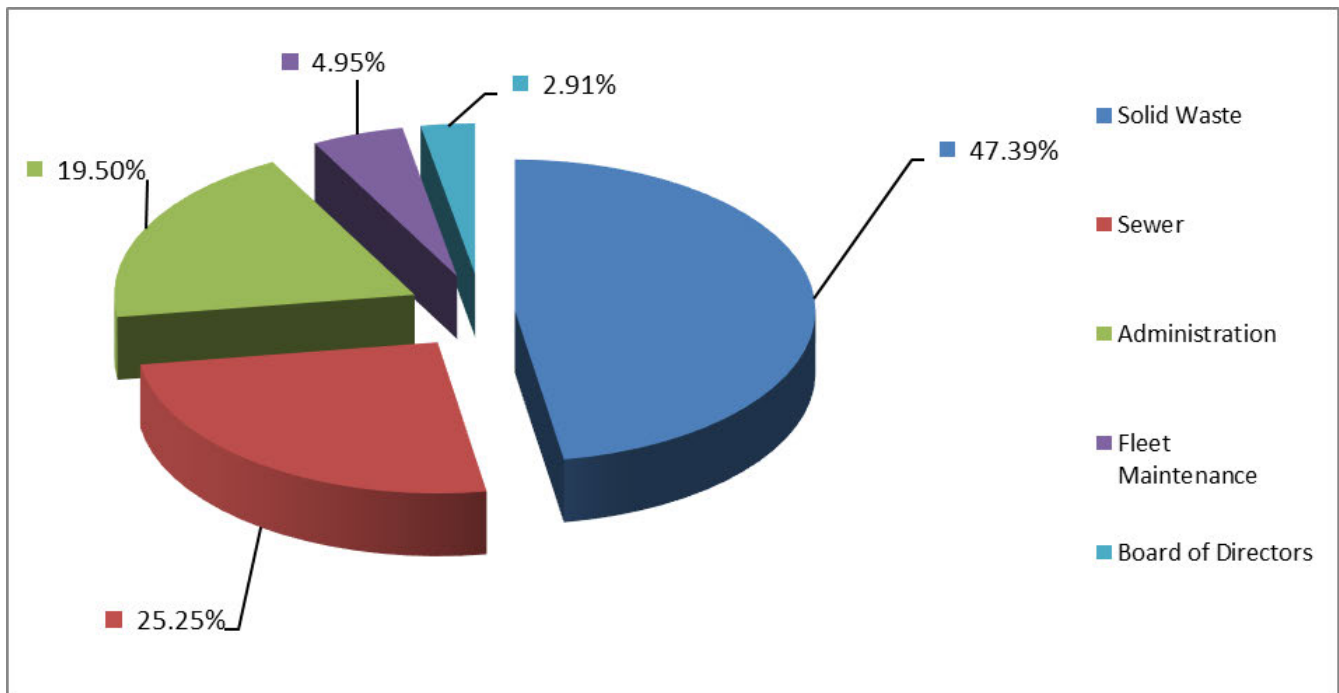
Revenues by source:



Expenses by Department

Historically the District's budget is broken down by department. The adopted budget document continues that practice with a detailed narrative and accounts for the District's revenues, expenses, and capital expenditures. Solid waste accounts for 47.39% of the operating budget and sewer services at 25.25% for a combined total of 73.35%. An additional 27.36% are support services including the Board of Directors, fleet maintenance and administration departments.

*Expenses shown by department:*



As we move forward, I am confident that our strategic investments and unwavering commitment to excellence will position us for continued success. The Budget is balanced; the Board of Directors' goals and priorities are funded; the challenges we face are manageable. Together, we will build on our achievements to navigate the challenges ahead with resilience and agility. I extend my gratitude to our loyal community, the Board of Directors, our dedicated employees, and valued stakeholders for their continued support.

Let us embrace the opportunities that lie ahead with determination and a shared vision of excellence.

***Robert Housley***  
 General Manager

## Vision of the Midway City Sanitary District

The Vision Statement supports the Mission Statement by expressing a broad philosophy of what the Midway City Sanitary District strives to achieve now and in the future in the delivery of services to our customers, vendors, other agencies, the public, and each other.

*“The Midway City Sanitary District's Vision for the future emphasizes our ongoing commitment to integrity and delivering high-quality services. We aim to lead with innovation, demonstrate genuine care for people, provide outstanding customer service and uphold our responsibility towards environmental stewardship for a better tomorrow.”*

Through the promotion of social responsibility and environmental stewardship, the District in partnership with the community, will continue to improve upon the preservation and decision making to produce optimum financial, environmental, and societal results.

## Core Values of the Midway City Sanitary District

The Core Values support the Mission and Vision Statements by expressing the values, beliefs, and philosophy that guide our daily actions. They help form the framework of our organization and reinforce our professional work ethic.

### **Honesty, Trust, and Respect**

To aspire to the highest degree of integrity, honesty, trust, and respect in our interaction with each other, our suppliers, our customers and our community.

### **Teamwork and Problem Solving**

To strive to reach MCSD goals through cooperative efforts and collaboration with each other and our constituents. We will work to solve problems in a creative, cost-effective, and safe manner, acknowledging team and individual efforts. We will act in a manner that protects our environment, and we will always be responsive to our customers' needs.

### **Leadership and Commitment**

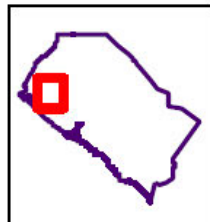
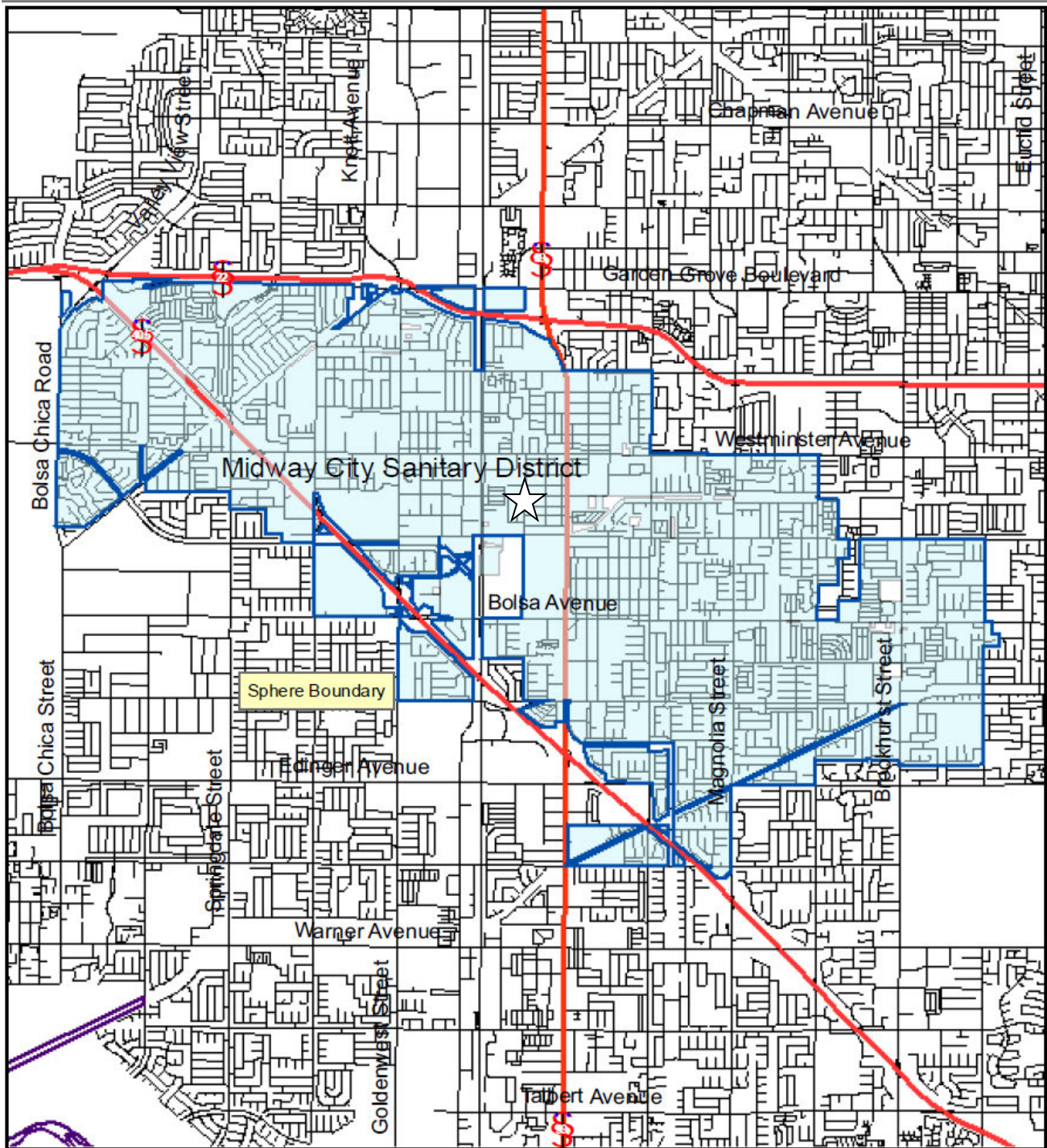
To lead by example, acknowledging the value of our resources and using them wisely and safely to achieve our objectives and goals. We are committed to acting in the best interest of our employees, our organization, and our community to protect the environment in each of our operations and projects.

### **Learning and Teaching – Talents, Skills, and Abilities**

To continuously develop ourselves, enhancing our talents, skills, and abilities, knowing that only through personal growth and development will we continue to progress as an agency and as individuals.



### Midway City Sanitary District Sphere of Influence Map



0.75 0.375 0 Miles

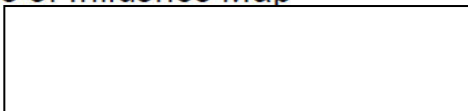


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### Midway City Sanitary District Sphere of Influence Map

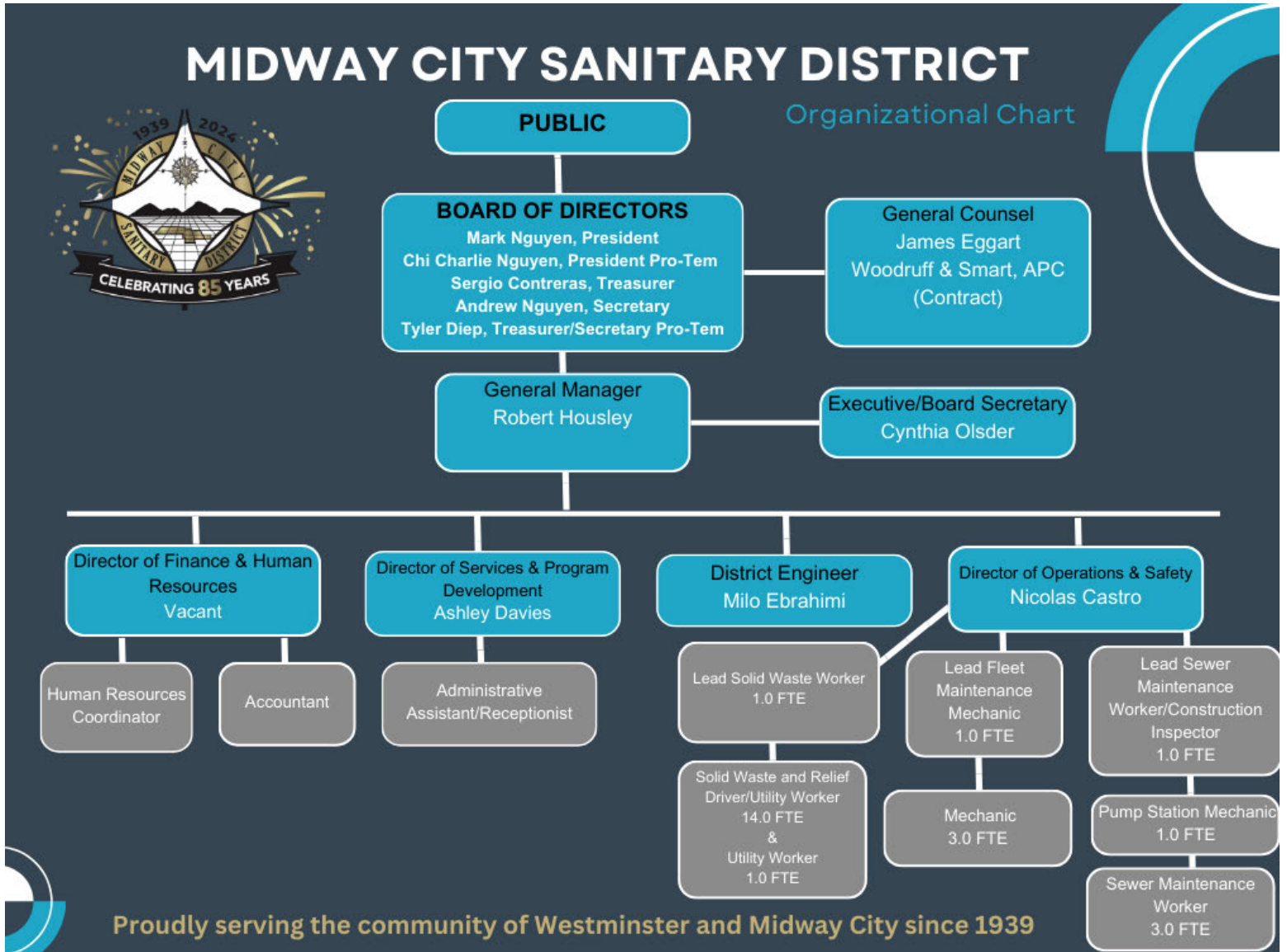
**Legend**

- Sphere Boundary
- District Boundary



11/16/06

## Midway City Sanitary District Organizational Chart



## Midway City Sanitary District Information and Statistics

The Midway City Sanitary District (MCSD) was formed by a vote of the people in 1939 for the purpose of providing the community refuse and sewer services. MCSD is an independent special district of the State of California, formed in 1939 under the Sanitary District Act of 1923. The first meeting of the Midway City Sanitary District Board was held January 13, 1939, at 7:00 P.M. at the fire hall in Midway City.

The Midway City Sanitary District services approximately 99,487 residents within its 10.4 square mile service area of the City of Westminster and the unincorporated area of the County of Orange known as Midway City. The Midway City Sanitary District provides solid waste to approximately 20,000 residences and sewer services to approximately 35,000 residences & businesses.

Midway City Sanitary District is operated by a Board of Directors, General Manager, administrative staff, and field personnel. The Board of Directors is elected by the public and serves staggered four-year terms. The Board of Directors meets on the first and third Tuesdays of each month. The General Manager is hired by the Board of Directors. Midway City Sanitary District currently employs twenty-nine (31) employees that work in one of the service categories: administration, sewer maintenance, solid waste, and fleet maintenance.

The Midway City Sanitary District provides wastewater collection, cleaning of sewage lines, approval of plans, and the inspection of the construction of sewer built within MCSD boundaries by developers, and solid waste disposal services to the residents and businesses (via a third-party franchisee, CR&R Incorporated) of the District.

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

MCSD recovers the cost of its services through service rates imposed on users of the service. Adopted June 21, 2022, the FY 24-25 annual rates for services are \$8.62 per month (\$103.43 per year) per unit for sewer service and \$16.80 per month (\$201.57 per year) per unit for residential three-cart curbside service, and \$3.27 per month (\$39.22 per year) for each additional cart service requested.

Midway City Sanitary District's fiscal year runs for a twelve (12) month period beginning July 1 through June 30 of the following year. The District's budget consists of two separate components, operations, and capital improvements.

**Location**

Midway City Sanitary District is located with the 22 (Garden Grove) Freeway on its northern boundary and the 405 (San Diego) Freeway on its southern boundary. It is 15 minutes from Disneyland and Knott's Berry Farm and 10 minutes from Southern California's beautiful beaches. The John Wayne airport is within 10 miles and Los Angeles International airport is 45 minutes away.

**Government**

The governing board is made up of five Directors elected by popular vote to serve four-year staggered terms. The Board Directors annually selects one of its members to serve as Board President. The General Manager is appointed by the Board of Directors.

**Population**

Midway City Sanitary District currently serves a population of approximately 99,487 residents, ranking among one the largest sanitary districts in California.

<u>Year</u>	<u>Westminster</u>	<u>Midway City</u>	<u>Total Residents Served</u>
2024	90,770	8,708	99,487
2023	90,489	8,681	99,170
2022	94,200	8,800	103,000
2021	91,645	8,693	100,338
2020	92,421	8,767	101,188

**Solid Waste (Refuse) Services**

Residential Solid Waste Pick-up	20,000	customers
Commercial Service (CR&R)	2,164	customers
Total Solid Waste Customers	22,164	customers

**Solid Waste, Recycling, and Organics Tonnage**

	<u>Solid Waste</u>	<u>Recycling</u>	<u>Organics</u>	<u>Total</u>
2023-2024 est.	22,000 tons	8,800 tons	10,300 tons	41,100 tons
2022-2023	22,633 tons	8,500 tons	10,033 tons	41,166 tons
2021-2022	23,415 tons	8,100 tons	8,552 tons	40,067 tons
2020-2021	26,082 tons	8,000 tons	9,416 tons	43,498 tons
2019-2020	25,877 tons	7,000 tons	9,509 tons	42,386 tons

**Sewer Services**

2024 Total Sewer Connections	35,489
2023 Total Sewer Connections	35,289
2022 Total Sewer Connections	34,832
2021 Total Sewer Connections	34,716

**Permits Processed: New Construction & Remodel (Residential & Commercial)**

<u>Year</u>	<u># of Permits Processed</u>
2023-2024	200+ estimated.
2022-2023	190
2021-2022	184
2020-2021	101
2019-2020	78
2018-2019	73
2017-2018	46

**In addition to the District’s free bulky pickup service provided to our residential customers, the District does five separate cleanup events throughout the year at different locations throughout Midway City and the City of Westminster. Please contact the District for more information on future cleanup events and for other opportunities and programs you might be interested in 714-893-3553 or [info@midwaycitysanitaryca.gov](mailto:info@midwaycitysanitaryca.gov).**

2024 Sigler Park community cleanup event filled up 6 bins, two truck loads of mattresses, and two truck loads of scrap metal were recycled, diverting these items from the landfill.

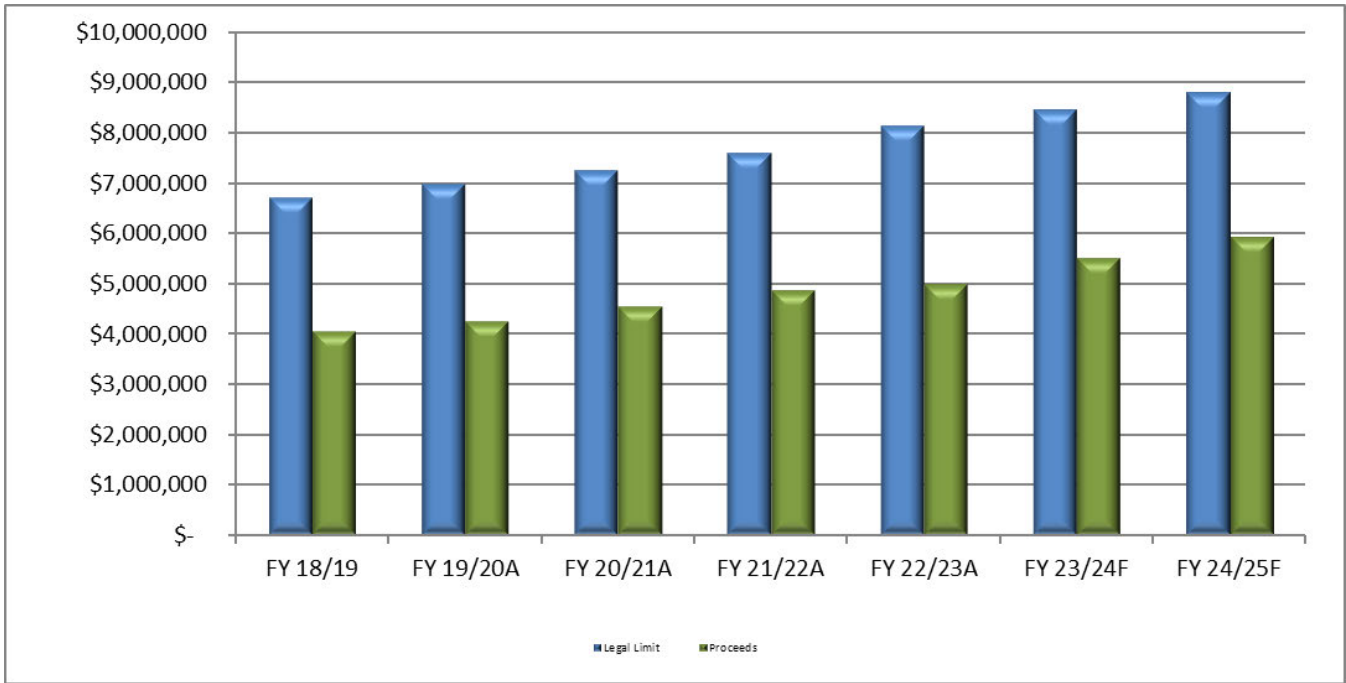


### GANN APPROPRIATIONS LIMIT

Commonly referred to as the Gann Limit, this was a ballot initiative adopted in 1980, and modified by Proposition 111, which passed in 1990, to limit the amount of tax proceeds state and local governments can spend each year. The Gann Limit now appears in the California's State Constitution as Article XIII B.

The limit changes annually and is different for every organization. Each year's limit is based on the amount of tax proceeds that were authorized to be spent in FY 1978-79 in each jurisdiction and modified for changes in inflation and population in each subsequent year. By law, inflationary adjustments are based on the California Department of Finance's official report on changes in states per capita income or in non-residential assessed valuation due to new construction. Population adjustments are based on the changes in the District's population levels. Each year the Board of Directors must adopt, by resolution, an appropriations limit for the following year. Using the cost-of-living data provided by the State of California, and population and per capita personal income data provided by the California State Department of Finance, MCSD's Appropriation Limit for 2024-2025 is \$8,782,964.15. A copy of the adopted Gann Appropriations Limit Resolution with calculations, can be found in the Supplemental Information Section on page 38.

Additional appropriations to the budget funded by non-tax sources such as service charges, restricted revenues from other agencies, grants, or beginning fund balances are unaffected by the Appropriations Limit.



## **BUDGET PROCESS**

The budget process is not simply an exercise in balancing one year at a time; it is strategic in nature, encompassing a multi-year financial and operating plan that allocates resources based on identified goals and objectives. The Midway City Sanitary District's budget is prepared on an annual basis and is based on the priorities, goals, and objectives established by the Board of Directors. The budget document communicates how the District invests its revenues derived from user fees and fixed revenue sources to support its mission and its programs.

## **BASIS OF THE BUDGET**

The Midway City Sanitary District (MCSD) is a special district of the State of California and operates as a single enterprise fund. The activities of the enterprise funds closely resemble those of businesses and are substantially financed by revenue derived from user charges.

The basis of accounting refers to the timing of revenue and expenditure recognition for financial reporting. In preparing the budget, the District applies the same methodology. MCSD prepares its budget using the full accrual basis where revenues are recognized when earned, and expenses are recognized when they are incurred. The District's accounting and financial reporting systems are maintained in compliance with generally accepted accounting principles and standards of the Government Accounting Standards Board.

## **BUDGETARY CONTROLS**

Budgetary controls are maintained by the District to ensure compliance with the annual budget adopted by the Board of Directors. All financial activities for the fiscal year are included in the annual budget. Budgetary control is maintained at the management level for operating budgets, and at the project level for capital improvements. The Board of Directors receives budget updates quarterly.

MCSD's budget is prepared on an annual basis and since the budget is an estimate, at times it is necessary to make adjustments to meet the priorities and needs of the District.

The first milestone in this process is the midyear budget review. During this process, the District compiles the first six months of actual financial data and projects the final six months of data to obtain a new 12-month projected budget. The Finance Department compares the 12-month projection to the original budget adopted by the Board of Directors and presents the results to the Board of Directors for review.

The budget is revised when expenditures are anticipated to exceed estimates. A report outlining the reasons for increasing the budget appropriation is prepared and submitted to the Board of Directors for consideration.

Increases in budget appropriations must be approved by the Board of Directors. Budget transfers affecting personnel and capital outlay must be approved by the General Manager. Reallocations or transfers within a department or project/program require the approval of the General Manager and/or the Director of Finance and Human Resources.

### BUDGET CALENDAR

As part of the annual budget development process, the Board of Directors reviews the budget calendar and schedules a series of workshop/study sessions, ultimately resulting in a budget adoption. The workshop/study sessions allow the Board of Directors and the public an opportunity to hear staff's preliminary outlook for the upcoming budget and more importantly to voice priorities, goals, and objectives.

The following budget calendar is presented to aid in the preparation of the budget:

February 16, 2024	Budget Calendar Approved by the Board of Directors
February/March 2024	General Manager/Department Head Meetings – Estimates Due
April 30, 2024	Public Budget Workshop/Study Session
June 18, 2024	Public Hearing & Adoption of Budget

### 2024 Midway City Sanitary District open house event and renovation celebration!





## BUDGET ASSUMPTIONS

Every budget includes several estimates and assumptions about what revenues will be available and what conditions will affect the District's operations during the budget year. It is important to list the key assumptions to help establish a context for review of the budget. If a revenue source is decreased or eliminated, expenditures should be reduced in response. Some of the key assumptions are:

### **REVENUE ASSUMPTIONS**

Per the Revenue and Taxation Code section 51, the State Board of Equalization provides to County Assessors the inflation factor to be used in preparing the annual property tax assessment roll. Proposition 13 property tax assessments will be increased in Orange County, due to a positive Consumer Price Index (CPI) inflation adjustment of 2.0%.

1. Property Tax: Overall countywide assessed values are projected by the Orange County Assessor to increase approximately 3.181%. The District will apply a 2.0% increase to property tax revenues for increases in property tax and the additional increase in assessed value to market value when property is sold at a higher value.
2. Trash and Sewer Collection Fees are being budgeted to reflect the current annual rates for service of \$103.43 per unit for sewer service and \$201.57 per unit for residential curbside (solid waste) service.
3. Special Agreements for service(s) are budgeted to reflect an annual increase of 2.0% plus any service fee adjustments.
4. Franchise Fees: MCSD collects franchise fees from CR&R Inc. for solid waste collection of commercial, industrial, and other businesses from MCSD's service area. MCSD's franchise fee is limited to 14 percent (effective July 1, 2014) of the franchisee's gross annual receipts from the service area.
5. Investments: The market remains strong. The District will seek investment opportunities in accordance with the Investment Policy as they arise. Earnings on the investments of the District's operating cash and reserves will be budgeted conservatively for the year as inflation starts to slow and the Federal Reserve also considers reducing their rate, thereby potentially affecting future investment returns.

**EMPLOYEE, MATERIALS, SUPPLIES AND SERVICES ASSUMPTIONS**

6. Operating, maintenance, and administrative costs are expected to increase because of general inflation. Increases are anticipated among personnel salaries, benefit increases, materials, supplies, and services agreements.
7. The budget reflects all department as fully staffed with no new full-time positions.
8. The current Memorandum of Understanding (MOU) for the represented employees expires June 30, 2024. Potential cost of living raises are not included in the budget, but regular merit step increases are.
9. MCSD and employees share in the contributions made into a defined benefit retirement plan. Retirement costs for employees enrolled in the CalPERS have been assessed at a rate of:

<b>CalPERS</b>						
<b>Employer Contribution Rates</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>
3% @ 60 Tier 1 (closed 2009)	14.40%	15.45%	15.25%	15.25%	17.26%	17.33%
2% @ 55 Tier 2 (Classic-open)	10.22%	11.03%	10.88%	10.87%	12.47%	12.52%
2% @ 62 Tier 3 (PEPRA 2013)	6.99%	7.73%	7.59%	7.47%	7.68%	7.87%

10. Other employee benefits and insurances will be budgeted to increase in by moderate amounts based on inflation.
11. Tonnage (dumping fees) fees are subject to an annual CPI increase each fiscal year. The additional tonnage fees imposed by the County and per the Exclusive Franchise Agreement have been absorbed by the District and not passed through to the District's residential customers. Additionally, there is no tonnage fee on recycled items placed in the blue carts.

The table below shows the tonnage cost per ton for each of the different types of waste streams.

Fiscal Year	COLA	Black	Blue	Green
		Solid Waste Container Rate Per Ton	Recycling Container Rate Per Ton	Organics Container Rate Per Ton
FY 24-25	3.24%	65.30	0.00	109.39
FY 23-24	5.23%	63.25	0.00	108.63
FY 22-23	3.42%	59.19	0.00	100.70
FY 21-22	1.62%	56.25	0.00	97.37
FY 20-21	3.04%	55.51	49.00	95.82
FY 19-20	3.41%	54.31	49.00	93.00
FY 18-19	2.79%	52.81	0.00	88.95
FY 17-18	1.89%	51.62	0.00	0.00

**DEBT FINANCING ASSUMPTIONS**

12. The Midway City Sanitary District is currently debt free and has no current plans to issue any debt to fund the Capital Improvement Program (CIP).

**RESERVE ASSUMPTIONS**

Tracking the District's reserves provides a measure of the overall fiscal health of the District's finances and can be used to help make projections on what capital projects the District can plan for and when.

The budget reserves are summarized as follows and include recommendations for long-term reserve levels:

**UNRESTRICTED RESERVES:****13. OPERATING FUNDS:**

An operating cash flow is established and maintained to fund the day-to-day operations, maintenance, unforeseen emergencies, unanticipated revenue shortfalls or unexpected expenditure increases.

**DESIGNATED:****14. ORANGE COUNTY – MIDWAY CITY (DESIGNATED) RESERVE:**

These funds are received from the County of Orange. These funds are for operational and capital infrastructure projects within the unincorporated area of Midway City. This reserve has been established to ensure funds are available for the replacement, upgrade and refurbishment of the District's sewer lines located in the unincorporated area of Midway City as well as operational costs.

**15. LIFT (PUMP) STATION & SEWER LINE RESERVE:**

This reserve has been established to ensure adequate funds are available for the replacement, upgrade and refurbishment of the District's sewer lines and lift stations. The long-term target for the sewer lines reserve is for the Sewer System Master Plan to be funded from reserves and not from current revenues. The level of reserve will be established as an amount equal half of the District's sewer assets on the books.

**16. VEHICLE REPLACEMENT RESERVE:**

A vehicle replacement reserve is established and maintained to ensure adequate funds are available for the systematic replacement and refurbishment of the District's sewer, solid waste, and maintenance trucks and vehicles.

**17. BUILDINGS, EQUIPMENT AND FACILITIES RESERVE:**

This reserve was established to ensure that the District has adequate funds available for the acquisition, construction, replacement, and maintenance, for infrastructure, land, equipment, and facilities.

**18. COMPRESSED NATURAL GAS (CNG)/EV FUELING FACILITIES RESERVE:**

The CNG fueling facility became operational in October of 2015 to support the District's CNG fleet. This reserve was established to ensure that the District has adequate funds available for the future replacement and repair/maintenance of the CNG equipment and facility and for electrical vehicle facilities.

**19. EMERGENCY AND CONTINGENCY RESERVES:**

May be used for unanticipated and nonrecurring extraordinary needs of an emergency nature, including a natural disaster or calamity and in the event of a declared State of Emergency. The fund may also be used for nonrecurring and unforeseen needs, unexpected obligations created by state and federal laws, new public safety or health needs after the budget process has occurred, or opportunities to achieve cost saving. It may also be used to cover revenue shortfalls experienced by the District and for cash flow management purposes.

The table below shows the District's reserve designations and their current level:

RESERVES	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	GOAL LEVEL	OVER/(UNDER)	% FUNDED
Operating Fund	9,832,928	6,907,324	9,513,536	8,990,919	10,000,000	(200,000)	98%
Midway City Unincorporated	2,476,153	2,889,514	2,037,549	1,967,443	4,000,000	(1,953,859)	51%
Buildings, Equipment, and Facilities	5,352,992	5,846,249	3,819,885	3,644,417	8,000,000	(4,209,806)	47%
Lift Stations & Sewer System	24,524,888	30,292,835	30,793,481	31,848,299	60,000,000	(26,877,769)	55%
CNG/EV Station & Facilities	962,928	1,765,582	1,947,820	2,522,786	5,000,000	(2,376,303)	52%
Vehicle Replacements	3,407,699	3,817,092	3,577,570	2,828,957	8,000,000	(5,057,885)	37%
Emergencies & Contingencies	1,505,662	1,453,622	1,455,381	1,449,861	3,000,000	(1,492,145)	50%
SB 1383 CalRecycle Grant Funds	-	-	-	274,786	274,786	-	100%
CERBT 115 Trust Related to OPEB	7,143,062	6,127,015	6,517,501	7,014,490	5,967,867	1,186,913	120%
CEPPT 115 Trust Related to Pensions	3,590,856	3,988,371	4,921,961	5,335,091	4,800,000	641,793	113%
<b>Totals</b>	<b>\$58,797,167</b>	<b>\$63,087,604</b>	<b>\$64,584,685</b>	<b>\$65,877,049</b>	<b>\$ 109,042,653</b>	<b>\$ (40,339,061)</b>	<b>63%</b>

Composting and Recycling saves tons of materials from our landfills and protects our environment. Education and awareness is our top priority! The District has an annual compost event to help educate the community on the importance of recycling green waste and how it can help protect the environment for our future generations. Contact the District for more information on our organics and recycling programs 714-893-3553 or [info@midwaycitysanitaryca.gov](mailto:info@midwaycitysanitaryca.gov).

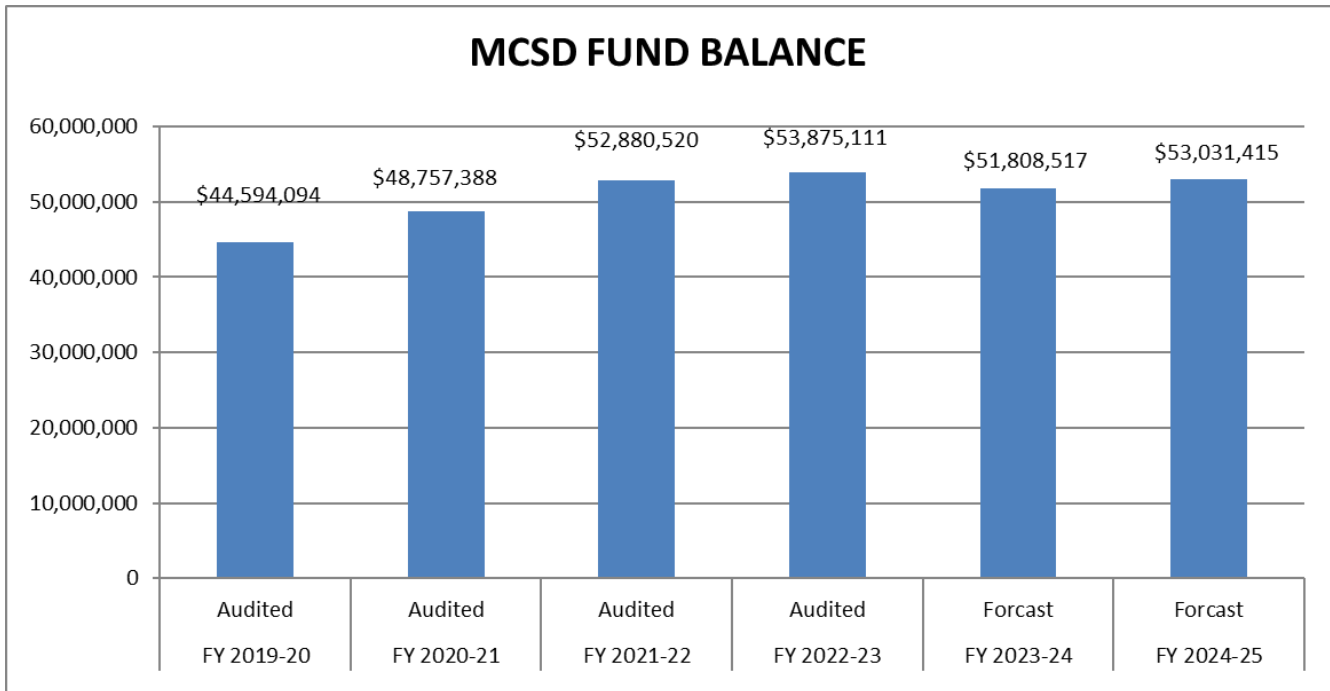


### GENERAL/ENTERPRISE FUND

Midway City Sanitary District (MCSD) is an enterprise district, in which operations are financed and operated in a manner similar to private business enterprises where the cost of providing goods and services is financed primarily through user charges. The majority of the revenues are derived from a special assessment (service fees) set annually by the MCSD Board of Directors and placed on the property tax roll. Other revenues are received from property taxes, plan checks and permit fees.

The General Fund is the general operating fund of MCSD. All General Fund tax revenues and all other receipts and user fees are accounted for in this fund. Expenditures of this fund include operating expenses and capital improvement costs.

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
	Audited	Audited	Audited	Audited	Forecast	Forecast
Net Position, Unrestricted, July 1,	\$42,182,393	\$44,594,094	\$48,757,388	\$52,880,520	\$53,875,111	\$51,808,517
Net Increase/(Decrease)	\$ 2,411,701	\$ 4,163,294	\$ 4,123,132	\$ 994,591	\$ (2,066,594)	\$ 1,222,898
Net Position, Unrestricted, June 30	\$44,594,094	\$48,757,388	\$52,880,520	\$53,875,111	\$51,808,517	\$53,031,415



Fiscal Year 2023-2024 & 2024-2025 are forecast numbers, actual ending fund balances are to be determined at fiscal year-end.

# OPERATING BUDGET SUMMARY

Fiscal Year July 1, 2024 through June 30, 2025

**\$18,053,358**

	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	YTD ACTUAL	PROPOSED BUDGET	
<b>SUMMARY</b>							
1	<b>REVENUES</b>						
2	Property Taxes	\$ 1,449,684	\$ 1,440,401	\$ 1,437,277	\$ 1,473,543	\$ 1,417,236	\$ 1,521,925
5	Property Taxes - Pass-throughs	2,789,567	3,080,935	3,421,254	3,785,559	4,082,740	4,375,000
3	Trash & Sewer Collection Fees	6,867,992	6,904,276	6,942,570	7,318,538	7,532,326	7,760,000
4	Franchise Fees	1,088,185	1,121,793	1,174,482	1,246,184	1,125,702	1,350,000
6	Interest & Investment Earnings	1,054,909.52	541,416.03	(1,008,281.97)	1,322,304.79	2,726,432.67	2,726,433
7	Other Revenue Sources	582,444.86	336,328.14	685,606.78	300,223.44	400,569.49	320,000
8	<b>TOTAL REVENUES</b>	<b>\$ 13,832,784</b>	<b>\$ 13,425,149</b>	<b>\$ 12,652,908</b>	<b>\$ 15,446,352</b>	<b>\$ 17,285,006</b>	<b>\$ 18,053,358</b>
9	<b>EXPENDITURES</b>						
10	Salaries & Wages	\$ 2,181,383	\$ 2,301,719	\$ 2,417,022	\$ 2,642,050	\$ 2,424,247	\$ 3,335,000
11	Benefits	1,337,919	1,435,221	1,184,992	4,788,188	1,419,591	1,682,810
12	Tonnage Disposal Fees	2,392,868	2,420,879	2,178,318	2,353,718	1,871,043	2,650,000
13	Repairs & Maintenance	556,759	517,857	522,683	746,925	577,392	1,039,000
14	Depreciation & Amortization Expenses	1,391,948	1,463,959	1,497,196	1,458,766	1,513,000	1,785,000
15	Other Operating Expenses	1,072,852	1,296,039	1,588,864	2,235,643	2,633,893	4,481,650
16	<b>TOTAL EXPENDITURES</b>	<b>\$ 8,933,730</b>	<b>\$ 9,435,672</b>	<b>\$ 9,389,073</b>	<b>\$ 14,225,289</b>	<b>\$ 10,439,166</b>	<b>\$ 14,973,460</b>
17	Net Available for Reserves or Capital Projects	4,876,124	3,989,475	3,263,832	1,967,340	6,845,840	3,079,898

# CAPITAL OUTLAY & IMPROVEMENTS BUDGET

Fiscal Year July 1, 2024 through June 30, 2025

**\$3,642,000**

CAPITAL OUTLAY IMPROVEMENTS & MISCELLANEOUS BUDGET									
	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2023-24	FY2024-25	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	PROPOSED BUDGET	
<b>ADMINISTRATIVE DISTRICT OFFICES &amp; YARD</b>									
1	Computer Server for the District		11,412				-	-	
2	Vehicles (Class C)				40,222	-	-	-	
3	Solar Project Construction				6,522	602,836	735,000	-	
4	District Building Project Design & Construction		223,884	128,351	3,937,374	2,699,264	3,362,000	-	
5	District Buildings Facility, Features & Furnishings					167,211	250,000	-	
6	District Buildings Technology & Board Room AV					15,924	52,000	30,000	
<b>FLEET MAINTENANCE</b>									
7	Tire Changing Machine & Accessories		17,195				-	-	
8	Crimper Press Machine, Die Kit & Accessories			10,185			-	-	
9	EV Ford F150 Lightning w/Tool Box(Q1)						-	125,000	
10	Wash Rack Pressure Washer(Q1)						-	12,000	
11	EV Forklift & Equipment (Fork, Extension, Boom & Bucket)						-	180,000	
<b>SOLID WASTE</b>									
12	Organics Program Green Carts + Delivery	857,689					-	-	
13	Pickup Truck for Late Stops & Street Cleanup		34,534				-	-	
14	Cart Lift Attachment for Back of Truck		16,045				-	-	
15	Bin For Front Loader for Bulky Program			35,875			-	-	
16	CNG Station Compressor Replacement			129,175			-	-	
17	EV Vehicle (Chevy Bolt)					32,549	32,549	-	
18	CNG Mack Side Loader Solid Waste Trucks (Q3)	656,627	329,752	388,900		416,927	1,358,280	1,400,000	
19	Rebuilt Engines & Packers for CNG Trash Trucks (Q2)					40,525	60,000	60,000	
20	Fire Suppression System for Solid Waste Trucks (Q16)		7,004				-	150,000	
21	EV Stakebed Truck (Q1)						-	230,000	
21	Solar Infrastructure/Microgrid & EV Station(s) Pending Grant						-	250,000	
<b>SEWER</b>									
22	CNG Vactor Truck		484,589				-	-	
23	SCADA System Upgrades				172,800	38,325	-	-	
24	Sewer Lift Station Pump Inventory		264,799			329,196	-	-	
25	Sewer Lift Station Emergency Auto Dialers		20,820				-	-	
26	Plan Document Scanner and Plotter						10,000	15,000	
27	Sewer Flow Meter, Camera, and Smart Covers						-	150,000	
28	Trailer Mounted Portable Generator (Q1)						-	80,000	
29	EV Ford Lighting Pickup Trucks (Q2)						-	160,000	
30	Miscellaneous Capital Sewer System & Lift Station Projects TBD						-	2,200,000	
<b>MISCELLANEOUS</b>									
31	Payments Towards Unfunded Liabilities	94,082	494,778	156,003	-	16,907	1,488,751	1,488,751	
32	Contributions Towards 115 CEPPT Trust Fund	-	2,500,000	500,000	875,000	700,000	-	-	
33	Contributions Towards 115 OPEB Trust Fund	-	-	-	-	-	-	-	
34	<b>TOTAL CAPITAL OUTLAY &amp; IMPROVEMENTS</b>	<b>\$ 1,608,398</b>	<b>\$ 4,169,516</b>	<b>\$ 1,445,249</b>	<b>\$ 1,186,336</b>	<b>\$ 5,525,997</b>	<b>\$ 6,364,815</b>	<b>\$ 7,390,300</b>	<b>\$ 3,642,000</b>

The Capital Outlay & Improvement budget is robust and is focused on the addition several new electrical vehicles, capital projects for sewer, as well as the planning & construction of a solar microgrid and a possible EV refuse truck (subject to future grant approvals).

Generally, the increase in expenses for capital outlay and improvement projects vary year-to-year in large part due to the District's aggressive plan to ensure current and future services to the customers of the District. The Capital Outlay & Improvement budget will be funded by a variety of financing activities. Capital improvement projects will be funded from unencumbered operating revenues, pass-thru funds, and District capital reserves as needed.



**REVENUES**

**Fiscal Year July 1, 2024 through June 30, 2025**  
**\$18,053,358**

	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	YTD ACTUAL	PROPOSED BUDGET
<b>REVENUES</b>						
1 OPERATING REVENUES						
2 Trash & Sewer Collection Fees	\$ 6,867,992	\$ 6,904,276	\$ 6,942,570	\$ 7,318,538	\$ 7,532,326	\$ 7,760,000
3 Additional Container & Service Fees	2,744	2,100	3,092	15,410	11,655	15,000
4 Franchise Fees	1,088,185	1,121,793	1,174,482	1,246,184	1,125,702	1,350,000
5 Sewer Plan Checks & Inspection Fees	256,716	99,652	41,570	50,985	54,037	55,000
6 Sewer Connection Fees (OC San)	49,962	14,267	14,005	19,502	13,028	15,000
7 OPERATING REVENUES	\$ 8,265,600	\$ 8,142,088	\$ 8,175,719	\$ 8,650,619	\$ 8,736,748	\$ 9,195,000
8 NON-OPERATING REVENUES						
9 Property Tax Secured	\$ 1,306,336	\$ 1,300,952	\$ 1,296,564	\$ 1,298,523	\$ 1,278,244	\$ 1,375,000
10 Property Tax Unsecured	40,224	39,125	41,496	38,605	34,074	38,000
11 Property Tax Secured Supplemental	27,676	26,730	30,457	56,349	27,378	30,000
12 Homeowner's Property Tax Relief	6,767	6,313	6,005	5,765	4,506	6,000
13 State-Assessed Public Utility Tax & Railroad	59,162	61,462	60,862	64,480	64,110	64,000
14 Pass-through Property Taxes County of Orange	291,867	380,505	406,339	413,629	516,479	575,000
15 Pass-through Property Taxes City of Westminster	2,497,700	2,700,430	3,014,915	3,371,929	3,566,261	3,800,000
16 Investment Income	1,054,910	541,416	(1,008,282)	1,322,305	2,726,433	2,726,433
17 Interest on Undistributed Taxes	9,520	5,818	1,894	9,822	8,925	8,925
18 Other Revenue	273,023	214,237	626,940	219,246	321,849	225,000
19 Gain/(Loss) on Disposal of Capital Assets	-	6,073	-	(4,920)	-	10,000
20 NON-OPERATING REVENUES	\$ 5,567,184	\$ 5,283,061	\$ 4,477,189	\$ 6,795,733	\$ 8,548,258	\$ 8,858,358
21 TOTAL REVENUES	\$ 13,832,784	\$ 13,425,149	\$ 12,652,908	\$ 15,446,352	\$ 17,285,006	\$ 18,053,358

**EXPENDITURES**  
**Fiscal Year July 1, 2024 through June 30, 2025**  
**\$14,973,460**

<b>EXPENSES</b>								
			FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
			ACTUAL	ACTUAL	ACTUAL	ACTUAL	YTD	BUDGET
1	ACCT#	LABOR & BENEFITS						
2	7510.00	Salaries & Wages	\$ 2,181,383	\$ 2,301,719	\$ 2,417,022	\$ 2,642,050	\$ 2,424,247	\$ 3,335,000
3	7520.00	Medicare	30,562	32,950	34,848	37,953	38,316	50,100
4	7530.00	CalPERS Retirement	686,312	749,983	258,289	267,398	274,762	420,000
5	7535.00	CalPERS CEPPT/GASB 68 Retirement	-	-	-	3,712,315	-	-
6	7550.00	Group Insurance	563,969	603,446	665,833	720,206	804,341	969,500
7	7560.00	Group Insurance Retirees	(26,585)	99,728	140,191	179,508	194,298	229,000
8	7565.00	CalPERS OPEB Trust Reimbursement	-	(136,670)	-	(236,809)	-	(224,000)
9	7570.00	Workers' Compensation Insurance	78,289	80,917	69,863	83,423	79,716	100,760
10	7575.00	Uniforms & Laundry	5,372	4,867	15,968	14,526	17,606	24,950
11	7580.00	Employee Reimbursements	-	-	-	9,668	10,552	16,500
12	7590.00	Unemployment Benefits	11,700	(2,925)	-	-	-	-
13		<b>TOTAL LABOR &amp; BENEFITS</b>	<b>\$ 3,531,002</b>	<b>\$ 3,734,015</b>	<b>\$ 3,602,014</b>	<b>\$ 7,430,237</b>	<b>\$ 3,843,838</b>	<b>\$ 4,921,810</b>
14	7605.00	Board Election Costs	-	59,086	-	91,110	-	120,000
15	7610.00	Board Meeting Expenses	133	535	2,117	5,421	6,340	8,000
16	7620.00	Operating & Office Expenses	47,871	53,608	61,884	35,115	29,654	66,000
17	7625.00	Local Govt. Formation Commission (LAFCO)	20,783	17,805	18,339	19,153	21,508	24,500
18	7630.00	Services & Supplies	14,852	56,173	29,689	101,857	103,018	129,250
19	7635.00	Printing & Publications	17,885	1,303	16,230	-	3,341	4,000
20	7640.00	Permits Fees Testing & Taxes	21,255	19,694	22,863	22,118	25,707	33,500
21	7645.00	Membership Dues & Subscriptions	8,275	8,945	8,658	11,467	11,922	18,300
22	7650.00	Education, Training, & Travel Expenses	30,642	22,109	37,041	39,982	64,015	150,000
23	7660.00	Employee Awards Incentives & Recognition	19,634	15,450	25,513	39,312	32,263	61,000
24	7665.00	Medical Exams & Testing	3,782	8,078	7,614	4,539	3,609	9,100
25	7670.00	Property & Liability Insurance	210,737	307,380	304,473	371,159	476,487	560,000
26	7675.00	Claims Expenses	5,043	810	10,429	1,511	7,748	120,000
27	7680.00	Gasoline & Diesel Fuel	15,634	14,380	19,105	20,482	16,102	26,500
28	7685.00	Tonnage Disposal Fees	2,392,868	2,420,879	2,178,318	2,353,718	1,871,043	2,650,000
29	7690.00	Solid Waste, Recycling, & Organic Containers	146,519	183,912	177,707	293,587	215,218	300,000
30	7695.00	Tools & Equipment	10,101	22,613	32,432	36,789	29,117	55,000
31	7700.00	Repairs & Maintenance, Tires, and Parts	556,759	517,857	520,883	746,925	577,392	1,030,000
32	7700.25	CCTV and Cleaning of District Sewer Lines	-	-	-	-	515,310	800,000
33	7725.10	Audit & Financial Services	17,650	19,350	18,930	19,490	25,000	28,000
34	7725.20	Engineering & Consulting Services	-	-	-	-	259,127	400,000
35	7725.30	Legal Services Personnel	34,650	27,399	19,346	13,014	39,279	55,000
36	7725.40	Legal Services General Counsel	52,047	61,709	109,914	115,640	103,208	125,000
37	7725.50	Information Technology	24,827	21,019	36,148	53,324	80,809	185,000
38	7725.70	Professional & Consulting Services	55,351	50,252	58,210	218,034	56,705	330,000
39	7725.90	Temporary Personnel	31,331	7,728	73,156	63,603	30,874	110,000
40	7750.00	Community & District Events	46,750	60,023	112,353	22,398	52,615	120,000
41	7750.10	District Calendar	36,952	36,517	37,267	44,595	43,571	47,000
42	7750.20	Media & Program Development	-	-	29,463	28,797	35,690	80,000
43	7750.25	Clean-up Events	-	-	7,394	13,856	17,107	30,000
44	7750.30	Organics, Compost, & SB 1383 Expenses	-	-	16,177	31,671	35,314	200,000
45	7750.35	Fats, Oils & Grease (FOG) Program	18,002	19,199	17,925	17,400	17,075	35,000
46	7750.45	Resident Lateral Assistance Program	-	-	1,800	-	-	9,000
47	7800.00	Utilities - Includes Lift (Pump) & CNG Stations	170,444	203,888	272,492	493,337	269,262	347,500
48	7900.00	Depreciation & Amortization Expenses	1,391,948	1,463,959	1,503,162	1,465,648	1,519,900	1,785,000
49		<b>TOTAL NON-LABOR</b>	<b>\$ 5,402,728</b>	<b>\$ 5,701,659</b>	<b>\$ 5,787,032</b>	<b>\$ 6,795,053</b>	<b>\$ 6,595,328</b>	<b>\$ 10,051,650</b>
50		<b>TOTAL EXPENSES</b>	<b>\$ 8,933,731</b>	<b>\$ 9,435,674</b>	<b>\$ 9,389,046</b>	<b>\$ 14,225,290</b>	<b>\$ 10,439,166</b>	<b>\$ 14,973,460</b>

## Summary of Expenses by Department

The table below gives an overview of past and current departmental budgeted expenses. The table can be used to help compare the ebbs and flows year-to-year.

SUMMARY BY DEPARTMENT		FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
		ACTUAL	ACTUAL	ACTUAL	YTD ACTUAL	YTD ACTUAL	BUDGET
1	Board of Directors	\$ 119,576	\$ 195,561	\$ 185,883	\$ 308,162	\$ 222,728	\$ 435,260
2	Administration Department	1,832,959	1,887,383	1,853,905	3,069,062	2,045,693	2,919,850
3	Fleet Maintenance Department	462,018	526,253	503,982	1,133,702	572,818	741,350
4	Solid Waste Department	5,202,788	5,427,504	5,439,724	7,287,774	5,260,032	7,096,500
5	Sewer System Department	1,316,388	1,398,973	1,405,581	2,426,590	2,337,893	3,780,500
6	TOTAL SUMMARY BY DEPARTMENTS	\$ 8,933,730	\$ 9,435,675	\$ 9,389,075	\$ 14,225,290	\$ 10,439,166	\$ 14,973,460



## ADMINISTRATION & THE BOARD OF DIRECTORS

### Administration, budgeted for 9 employees and the Board of Directors, 5 Elected Officials

The strong service-oriented administrative staff provides the essentials for all operations within the District. Administrative staff assures the timely presentation of formal communications from the public, with other agencies, and to the Board of Directors. The department maintains the official District records, which reflect the actions of the Governing Body, administers the District financial information, and maintains records of the District's fixed assets. The department also manages employee training and development programs; administers the District's personnel, compensation, and benefits. The department also provides management of the District's projects, inspections, and connections to the District's sewer mains.

The Administrative Staff consists of nine full-time employees including a General Manager, Director of Finance, Director of Operations/Safety, District Engineer, Director of Services and Program Development, Executive/Board Secretary, Accountant, Human Resources Coordinator, and an Administrative Secretary/Receptionist.

The Board of Directors consists of 5 officials elected at large, to 4-year staggered terms. The Board of Directors provide direction and oversight for the District.

## THE BOARD OF DIRECTORS

	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	YTD ACTUAL	PROPOSED BUDGET	
<b>BOARD OF DIRECTORS</b>							
1	Directors' Fees (salaries)	\$ 56,917	\$ 73,159	\$ 92,700	\$ 104,100	\$ 97,800	\$ 115,000
2	Medicare	779	1,064	1,330	1,465	1,378	1,600
3	Group Insurance	57,423	57,007	80,833	92,350	97,058	120,000
4	Workers' Compensation Insurance	234	343	288	348	400	410
5	Election Costs		59,086	-	91,110	-	120,000
6	Board Meeting Expenses	133	535	2,117	5,421	6,340	8,000
7	Operating & Office Expenses	-	-	-	-	3,757	5,500
8	Services & Supplies	-	1,735	3,594	2,984	3,609	4,750
9	Board Development & Travel Expenses	4,089	2,631	5,021	10,385	12,387	40,000
10	Information Technology	-	-	-	-	-	20,000
11	<b>TOTAL BOARD OF DIRECTORS</b>	<b>\$ 119,576</b>	<b>\$ 195,561</b>	<b>\$ 185,883</b>	<b>\$ 308,162</b>	<b>\$ 222,728</b>	<b>\$ 435,260</b>

ADMINISTRATION DEPARTMENT

	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	YTD ACTUAL	PROPOSED BUDGET
<b>ADMINISTRATION DEPARTMENT</b>						
1	\$ 703,235	\$ 740,501	\$ 759,551	\$ 862,673	\$ 808,553	\$ 1,200,000
2	9,981	10,564	10,868	12,811	13,034	17,000
3	246,568	269,883	94,756	91,334	97,752	150,000
4	-	-	-	1,268,002	-	-
5	108,296	130,380	145,268	169,274	192,619	229,500
6	(9,305)	34,054	49,282	77,581	86,513	96,000
7	-	(47,664)	-	(102,345)	-	(96,000)
8	3,323	3,691	3,242	3,956	3,316	5,600
9	-	-	368	528	2,364	3,250
10	-	-	-	2,373	3,582	5,500
11	11,700	(2,925)	-	-	-	-
12	44,960	45,799	53,063	25,570	19,674	45,000
13	20,783	17,805	18,339	19,153	21,508	24,500
14	-	-	-	33,001	43,103	50,000
15	17,885	1,303	16,230	-	3,341	4,000
16	2,208	1,465	1,992	1,500	1,547	3,500
17	8,275	8,945	8,658	10,873	10,800	15,000
18	12,813	6,907	15,896	21,422	36,775	60,000
19	19,634	15,450	25,513	39,312	32,263	55,000
20	-	4,442	4,450	808	640	2,000
21	31,282	51,359	55,004	70,989	105,000	125,000
22	-	-	-	-	(324)	-
23	1,324	2,248	1,446	2,295	2,388	4,000
24	7,676	1,752	2,489	6,270	3,146	15,000
25	17,650	19,350	18,930	19,490	25,000	28,000
26	34,650	27,399	19,346	13,014	39,279	55,000
27	52,047	61,709	109,914	115,640	103,208	125,000
28	24,827	21,019	36,148	51,509	68,980	70,000
29	55,351	50,252	58,210	5,050	41,692	100,000
30	31,331	7,728	73,156	63,603	30,874	60,000
31	46,750	60,023	112,353	22,398	52,615	120,000
32	36,952	36,517	37,267	44,595	43,571	47,000
33	-	-	29,463	28,797	35,690	80,000
34	61,727	69,479	29,480	26,939	42,191	46,000
35	231,036	237,948	63,223	60,649	75,000	175,000
36	\$ 1,832,959	\$ 1,887,383	\$ 1,853,905	\$ 3,069,062	\$ 2,045,693	\$ 2,919,850

## FLEET MAINTENANCE DEPARTMENT

Fleet Maintenance Department, budgeted for 4 employees.

The Fleet Maintenance Department provides pre-maintenance and urgent repair services for all MCSD's vehicles to ensure an efficient, economic, and safe fleet for the District. The Fleet Maintenance Departments' main function is to ensure that the District's fleet is kept fully operable daily to assure that the solid waste pickup is being completed in a timely manner.

		FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
		ACTUAL	ACTUAL	ACTUAL	ACTUAL	YTD ACTUAL	PROPOSED BUDGET
<b>FLEET MAINTENANCE DEPARTMENT</b>							
1	Salaries & Wages	\$ 242,738	\$ 261,753	\$ 266,033	\$ 307,056	\$ 297,547	\$ 370,000
2	Medicare	3,011	3,688	3,764	4,200	4,907	7,000
3	CalPERS Retirement	83,666	96,604	35,104	39,325	39,021	55,000
4	CalPERS CEPPT/GASB 68 Retirement	-	-	-	545,959	-	-
5	Group Insurance	61,018	67,778	70,771	71,865	75,978	100,000
6	Group Insurance Retirees	(2,659)	4,372	4,391	4,812	5,209	10,000
7	CalPERS OPEB Trust Reimbursement	-	(6,317)	-	(6,348)	-	(10,000)
8	Workers' Compensation Insurance	9,324	9,912	8,597	10,352	9,000	12,750
9	Uniforms & Laundry Services	3,032	2,656	3,135	2,594	3,620	4,700
10	Employee Reimbursements	-	-	-	1,666	1,029	2,000
11	Operating & Office Expenses	-	-	-	-	-	3,000
12	Services & Supplies	-	-	-	2,747	3,481	4,500
13	Education, Training, & Travel Expenses	3,641	1,047	3,390	2,486	7,930	10,000
14	Employee Awards Incentives & Recognition	-	-	-	-	-	2,000
15	Medical Exams & Testing	-	628	60	784	680	900
16	Property & Liability Insurance	34,673	53,965	58,379	74,817	79,399	90,000
17	Gasoline & Diesel Fuel	2,387	2,952	4,761	4,765	3,271	6,000
18	Tools & Equipment	10,101	22,613	32,432	36,789	29,117	40,000
19	Repairs & Maintenance	9,915	3,424	6,383	20,261	4,171	15,000
20	Information Technology	-	-	-	1,620	509	5,000
21	Utilities	1,171	1,180	815	1,070	1,050	3,500
22	Depreciation & Amortization Expenses	-	-	5,965	6,882	6,900	10,000
23	<b>TOTAL FLEET MAINTENANCE DEPARTMENT</b>	<b>\$ 462,018</b>	<b>\$ 526,253</b>	<b>\$ 503,982</b>	<b>\$ 1,133,702</b>	<b>\$ 572,818</b>	<b>\$ 741,350</b>

## SOLID WASTE DEPARTMENT

Solid Waste Department, budgeted for 16 employees.

The Solid Waste Department provides solid waste collection averaging 150 tons of refuse per day from approximately 100,000 residents within the collection service area. The commercial accounts are serviced by a private refuse collection hauler that contracts with Midway City Sanitary District and pays a franchisee fee to the District to operate within its boundaries.

The field crew provides residential solid waste collection. MCSD services approximately 20,000 residences per week, 59 of which are special service patrons, a bulky pick-up program, mattress and used oil recycling programs, and a Helping Hands Program for our senior and disabled residents.

The special services program is designed for our patrons who are unable to move the solid waste carts to the curb for pick-up. The solid waste worker moves the cart to the curb and returns the empty cart to where it is stored.

	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	YTD ACTUAL	PROPOSED BUDGET	
<b>SOLID WASTE DEPARTMENT</b>							
1	Salaries & Wages	\$ 863,517	\$ 888,741	\$ 945,063	\$ 961,790	\$ 855,472	\$ 1,180,000
2	Medicare	12,381	12,902	13,719	13,681	13,192	18,000
3	CalPERS Retirement	239,914	254,522	82,255	82,269	81,664	125,000
4	CalPERS CEPPT/GASB 68 Retirement	-	-	-	1,142,150	-	-
5	Group Insurance	256,651	262,855	278,730	283,273	320,893	380,000
6	Group Insurance Retirees	(9,305)	33,072	50,829	60,760	68,434	78,000
7	CalPERS OPEB Trust Reimbursement	-	(46,682)	-	(47,961)	-	(78,000)
8	Workers' Compensation Insurance	51,000	52,064	44,911	54,084	54,000	64,500
9	Uniforms & Laundry Services	-	-	9,860	9,148	8,601	12,500
10	Employee Reimbursements	-	-	-	4,081	3,780	6,000
11	Operating & Office Expenses	1,193	2,009	4,425	4,626	1,806	6,000
12	Services & Supplies	14,852	54,438	26,095	57,632	44,164	60,000
13	Education, Training, & Travel Expenses	7,219	9,740	10,505	1,237	2,571	10,000
14	Employee Awards Incentives & Recognition	-	-	-	-	-	2,000
15	Medical Exams & Testing	3,782	2,212	2,468	2,263	1,338	5,000
16	Property & Liability Insurance	97,708	127,212	120,282	138,955	198,087	230,000
17	Claims Expense	5,043	810	9,929	1,511	4,036	10,000
18	Gasoline & Diesel Fuel	5,369	4,757	5,004	6,348	2,583	7,500
19	Tonnage Disposal Fees for Refuse, Recycling & Organics	2,392,868	2,420,879	2,178,318	2,353,718	1,871,043	2,650,000
20	Containers/Carts for Refuse, Recycling & Organics	146,519	183,912	177,707	293,587	215,218	300,000
21	Repairs, Maintenance, Tires, & Restock Parts	417,710	403,858	414,378	588,198	420,831	550,000
22	Information Technology	-	-	-	-	2,300	40,000
23	Professional & Consulting Services	-	-	-	7,169	7,507	30,000
24	Clean-up Events	-	-	7,394	13,856	17,107	30,000
25	Organics, Compost & SB 1383 Expenses	-	-	16,177	31,671	35,314	200,000
26	Utilities	69,287	86,729	175,261	411,957	180,090	230,000
27	Depreciation & Amortization Expenses	627,080	673,474	866,414	811,772	850,000	950,000
28	<b>TOTAL SOLID WASTE DEPARTMENT</b>	<b>\$ 5,202,788</b>	<b>\$ 5,427,504</b>	<b>\$ 5,439,724</b>	<b>\$ 7,287,774</b>	<b>\$ 5,260,032</b>	<b>\$ 7,096,500</b>

WASTEWATER/SEWER SYSTEM DEPARTMENT

The Wastewater/Sewer System Maintenance Department, budgeted for 5 employees. The collection system is operated to transport wastewater collected from residential and commercial patrons of the City of Westminster and the unincorporated area of Midway City to the Orange County Sanitation District for treatment. The water is then recycled for use in the Ground Water Replenishment System (GWRS) or is treated and deposited into the ocean.

The Sewer Maintenance Department maintains and services the MCSD collection system which can collect up to 18 million gallons of sewage per day (system wide). The District Sewer Maintenance Operations crew consists of five employees (three Sewer Maintenance Workers, a Pump Mechanic, and one Supervisor/Inspector).

The existing collection system has a replacement value of approximately \$3 billion dollars and is comprised of approximately 174 miles of gravity flow sewer lines or 919,771 linear feet ranging in size from 6 inches to 18 inches, approximately 2 miles of force main sewer lines ranging in size from 6 inches to 12 inches, and four lift stations. All four lift stations are newly renovated in 2008 and 2009. The existing system also includes 3400+ manholes and 34 inverted siphons. There are approximately 35,000 service connections to the system.

	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	YTD ACTUAL	PROPOSED BUDGET	
<b>SEWER DEPARTMENT</b>							
1	Salaries & Wages	\$ 314,976	\$ 337,566	\$ 353,675	\$ 406,430	\$ 364,874	470,000
2	Medicare	4,411	4,733	5,167	5,796	5,805	6,500
3	CalPERS Retirement	116,164	128,973	46,175	54,469	56,325	90,000
4	CalPERS CEPPT/GASB 68 Retirement	-	-	-	756,205	-	-
5	Group Insurance	80,582	85,426	90,231	103,444	117,792	140,000
6	Group Insurance Retirees	(5,317)	28,230	35,689	36,356	34,142	45,000
7	CalPERS OPEB Trust Reimbursement	-	(36,007)	-	(80,155)	-	(40,000)
8	Workers' Compensation Insurance	14,407	14,907	12,824	14,683	13,000	17,500
9	Uniforms & Laundry Services	2,339	2,211	2,604	2,256	3,021	4,500
10	Employee Reimbursements	-	-	-	1,548	2,162	3,000
11	Operating & Office Expenses	1,719	5,800	4,397	4,919	4,416	6,500
12	Services & Supplies	-	-	-	5,494	8,661	10,000
13	Permits Fees Testing & Taxes	19,047	18,229	20,871	20,618	24,160	30,000
14	Membership Dues & Subscriptions	-	-	-	594	1,122	3,300
15	Education, Training, & Travel Expenses	2,881	1,784	2,228	4,451	4,353	30,000
16	Employee Awards Incentives & Recognition	-	-	-	-	-	2,000
17	Medical Exams & Testing	-	796	636	684	950	1,200
18	Property & Liability Insurance	47,074	74,844	70,807	86,399	94,000	115,000
19	Claims Expense	-	-	500	-	4,036	110,000
20	Gasoline & Diesel Fuel	6,554	4,424	7,894	7,075	7,861	9,000
21	Tools & Equipment	-	-	-	-	-	15,000
22	Repairs & Maintenance	121,459	108,822	97,633	132,196	149,243	450,000
23	CCTV and Cleaning of District Sewer Lines	-	-	-	-	515,310	800,000
24	Engineering & Consulting	-	-	-	-	259,127	400,000
25	Information Technology	-	-	-	195	9,020	50,000
26	Professional & Consulting Services	-	-	-	205,816	7,507	200,000
27	Temporary Personnel	-	-	-	-	-	50,000
28	Fats Oils Grease (FOG) Program	18,002	19,199	17,925	17,400	17,075	35,000
29	Resident Lateral Assistance Program	-	-	1,800	-	-	9,000
30	Utilities	38,259	46,500	66,936	53,371	45,931	68,000
31	Depreciation & Amortization Expenses	533,831	552,537	567,559	586,346	588,000	650,000
32	<b>TOTAL SEWER DEPARTMENT</b>	<b>\$ 1,316,388</b>	<b>\$ 1,398,973</b>	<b>\$ 1,405,581</b>	<b>\$ 2,426,590</b>	<b>\$ 2,337,893</b>	<b>\$ 3,780,500</b>



## **Resolutions & Policies**



**RESOLUTION NO. 2024-11**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, ESTABLISHING THE APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2023-2024 FOR THE DISTRICT IN ACCORDANCE WITH THE PROVISIONS OF DIVISION 9 OF TITLE 1 OF THE CALIFORNIA GOVERNMENT CODE**

**WHEREAS**, Article XIII B of the Constitution of the State of California, as proposed by the Initiative Measure approved by the people at the special statewide election held on November 6, 1979, provides that the total annual appropriations subject to limitation of each local government shall not exceed the appropriation limits of such entity for the prior year adjusted for changes in the cost of living and population, except as otherwise specifically provided for in said Article; and

**WHEREAS**, the State Legislature added Division 9 (commencing with Section 7900) to Title 1 of the Government Code of the State of California to implement Article XIII B of the California Constitution; and

**WHEREAS**, Section 7910 of the Government Code provides that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following fiscal year, pursuant to Article XIII B at a regularly scheduled meeting or a noticed special meeting and that 15 days prior to such meeting, documentation used in the determination of the appropriations limit shall be available to the public; and

**WHEREAS**, Section 7902 (b) of the Government Code, as amended by Article XIII B, Section 8, of the California Constitution, sets forth the method for determining the appropriation limit for each local jurisdiction for the 2024-2025 fiscal year.

**NOW THEREFORE**, the Board of Directors of Midway City Sanitary District does hereby FIND, RESOLVE AND ORDER:

**Section 1:** That it is hereby found and determined that the documentation (attached hereto as Exhibit "A") used in the determination of the appropriations limit for Midway City Sanitary District for fiscal year 2024-2025 was available to the public in the office of the District at least 15 days prior to the date this resolution was adopted.

**Section 2:** That the Board of Directors has determined that for purposes of calculating the 2024-2025 fiscal year appropriations limit for the District, the Board of Directors selects the following cost of living factor pursuant to Article XIII B, Section 8(e) (2), of the California Constitution:

<b><u>Fiscal Year</u></b>	<b><u>Factor</u></b>	<b><u>Percent</u></b>
2024-2025	Change in California per Capita Personal Income	3.62

**Section 3:** That for purposes of calculating the 2023-2024 fiscal year appropriations limit for the District, the Board of Directors selects the following change in population factor pursuant to Revenue and Taxation Code Section 2228:

<b><u>Fiscal Year</u></b>	<b><u>Factor</u></b>	<b><u>Percent</u></b>
2024-2025	Change in Orange County Population	0.31

**Section 4:** That the appropriations limit for fiscal year 2024-2025 for Midway City Sanitary District, as established in accordance with Section 7902(b) of the Government Code and as amended by Article XIII B, Section 8, of the California Constitution, is Eight Million Seven Hundred Eighty-Two Thousand Nine Hundred and Sixty-Four Dollars and Fifteen Cents (\$8,782,964.15) which sum is Midway City Sanitary District's maximum authorized spending limitation, in accordance with Article XIII B, for fiscal year 2024-2025.

**Section 5:** The determination of the appropriation limit is based upon the best and most complete information available at this time. The District reserves the right to review and re-establish



**RESOLUTION NO. 2024-13**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, APPROVING A REPORT ON SPECIAL USER CHARGES PURSUANT TO SPECIAL USAGE PERMIT AGREEMENT AND COVENANT DOCUMENTS AND DIRECTING THE COUNTY AUDITOR TO ADD SUCH SPECIAL USAGE CHARGES TO THE JULY 1, 2024 THROUGH JUNE 30, 2025 SECURED TAX ROLL PURSUANT TO ORDINANCE NO. 26**

Upon motion duly made, seconded and carried, the Board of Directors of the MIDWAY CITY SANITARY DISTRICT does hereby resolve as follows:

1. That by the adoption of Ordinance No. 26, the Board of Directors of the MIDWAY CITY SANITARY DISTRICT elected to impose and collect special usage charges services and facilities provided by said District to properties annexed to said District subsequent to July 20, 1981.

2. That the MIDWAY CITY SANITARY DISTRICT and owners of annexed properties have executed Special Usage Permit Agreement and Restrictive Covenant documents which have been recorded with the County Recorder and said documents, as required by Ordinance No. 26, contain an agreement that the special user fee may be collected on the tax roll in the same manner, by the same person, and at the same time as, together and not separately from, the general taxes of the District.

3. That the following special user fee was established by Ordinance No. 26 and by such Agreements as follows:

A. The rates and charges for this service are a fee which is equal to three percent (3%) of one percent (1%) of the annual property tax increments from said property beginning with the fiscal year in which the annexation of said property was approved by Resolution of the District's Board of Directors, or said Special Usage Permit Agreement and Restrictive Covenant was recorded, whichever occurred earlier;

B. The annual property tax increment is defined as that amount by which the property tax on said property has increased since the fiscal year immediately preceding the fiscal year during which the annexation of said property was approved by Resolution of the District's Board of Directors.

4. That the description of the real property subject to the above special usage fees, and the amount of such fees, appear on the attached listing as Exhibit "A".

5. That pursuant to Health and Safety Code Section 5473, a report has been filed with the District's Secretary containing a description of each parcel of real property and the amount of charges imposed by Ordinance No. 26 and such Agreements for the fiscal year 2024-2025.

6. That pursuant to Health and Safety Code Section 5473.1, the filing of the report was duly noticed as required by law by publication once each week for two (2) successive weeks in the Westminster Herald Journal, a newspaper of general circulation, printed and published in the MIDWAY CITY SANITARY DISTRICT, of a notice of a public hearing to be held on June 18, 2024 at the Board's meeting room located at 14451 Cedarwood Avenue, Westminster, CA 92683, to consider oral and written objections or protests regarding such report.

7. That pursuant to such notice, a public hearing to hear all objections or protests, if any, to the aforesaid report and proposed charges was held at the date and time set forth in such notice.

8. That after considering all protests, if any, the Board has determined that such report should be approved as filed.

9. That the County Auditor be, and hereby is ordered and directed to add such special usage fees to the July 1, 2024 – June 30, 2025 secured tax roll.

10. That the Secretary shall cause a copy of this Resolution and such report, in either written or electronic form, to be filed with the Orange County Auditor on or before August 10, 2024.





**RESOLUTION NO. 2024-14**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, APPROVING A REPORT ON SANITATION AND SEWER USER CHARGES AND DIRECTING THE COUNTY AUDITOR TO ADD SUCH USER CHARGES TO THE JULY 1, 2024 THROUGH JUNE 30, 2025 SECURED TAX ROLL PURSUANT TO ORDINANCE NO. 72 AND ORDINANCE NO. 73.**

WHEREAS, Ordinance No. 72 adjusting user fee rates for sanitary sewer services was adopted by the Board of Directors of the Midway City Sanitary District on June 21, 2022.

WHEREAS, Ordinance No. 73 adjusting user fee rates for residential solid waste services was adopted by the Board of Directors of the Midway City Sanitary District on June 21, 2022.

Upon motion duly made, seconded and carried, the Board of Directors of the MIDWAY CITY SANITARY DISTRICT does hereby resolve as follows:

1. That by the adoption of Ordinance No. 72, the Board of Directors of the MIDWAY CITY SANITARY DISTRICT elected to adjust the rates and charges for sanitary sewer services and facilities provided by said District. Ordinance 72 authorized a sewer service fee of \$103.43 for each residential, commercial, or industrial unit or activity per year for the fiscal year July 1, 2024 – June 30, 2025.

2. That by the adoption of Ordinance No. 73, the Board of Directors of the MIDWAY CITY SANITARY DISTRICT elected to adjust the rates and charges for solid waste services to parcels that receive Curbside Container Service from the District. Ordinance 73 authorized an annual solid waste collection fee of \$201.57 for each unit of service, and an annual fee of \$39.22 for each additional solid waste cart provided as part of the basic Curbside Collection Service, for the fiscal year July 1, 2024 – June 30, 2025.

3. That pursuant to Health and Safety Code Section 5473, a report has been filed with the District's Secretary containing a description of each parcel of real property and the amount of the charges imposed by Ordinance Nos. 72 and 73, for the fiscal year July 1, 2024 – June 30, 2025.



**RESOLUTION NO. 2024-08****A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY CALIFORNIA, ESTABLISHING A POLICY APPLICABLE TO DISTRICT DEPOSITS AND INVESTED FUNDS.**

**WHEREAS**, pursuant to Government Code Section 53630 et seq., all money belonging to the Midway City Sanitary District ("District") shall be deposited for safekeeping in accordance with the provisions of Government Code Section 53635 and may be invested in accordance therewith or in compliance with Government Code Section 53601; and

**WHEREAS**, the Board of Directors desires to consolidate the District's resolutions authorizing the deposit, transfer and investment of the District's funds; and

**WHEREAS**, the Board of Directors finds that it is in the best interests of the District to authorize the Board President, Treasurer, General Manager and the Director of Finance and Human Resources to establish certain funds, undertake investments and deposits, and transfer District money by their joint action in accordance with this Resolution.

**NOW, THEREFORE**, the Board of Directors of the Midway City Sanitary District does hereby **RESOLVE** as follows:

**Section 1.** The Board of Directors does hereby authorize the creation of such funds as are consistent with the Annual Budget adopted by the Board, including but not limited to the following:

- (a) The Operating Fund.
- (b) The Orange County, Midway City Reserve Fund.
- (c) The Lift Stations and Sewer Line Reserve Fund (*Urgent Repairs, Capital Projects, Lift Station Replacement*).
- (e) The Vehicle Replacement Reserve Fund (*Renovation and Replacement*).
- (f) Buildings, Equipment, and Facilities Reserve Fund.
- (g) Compressed Natural Gas (CNG) Fueling Station & Facilities Reserve Fund.
- (h) Emergency and Contingency Reserve Fund.

**Section 2.** District funds may be deposited into one or more accounts of different types, including: (i) restricted accounts, to be restricted in use or application by contract, trust, ordinance or otherwise, (ii) general accounts, the depository of general funds for general purposes of the District, and (iii) payroll accounts, the depository of general funds for the payment of the District's payroll.

**Section 3.** Pursuant to Health and Safety Code Section 6801, the District has appointed a member of the Board of Directors to serve as Treasurer. Pursuant to Government Code Section 53607, the District will elect in each annual period by its Resolution Approving a Statement of Investment Policy to either delegate its investment authority for a one-year period to the Treasurer or to reserve all investment authority to the Board of Directors or its designees. When the Treasurer is delegated the investment authority of the District in each annual period, then he or she shall report to the Board of Directors each month the investment and reinvestment of funds authorized by him or her in that period. When the Board has authority, then the General Manager or its designee shall report to the Board of Directors each month the investment and reinvestment of funds in that period.

**Section 4.** Pursuant to Government Code Section 53649, the Treasurer of the District is responsible for the safekeeping of the District's money. The deposit, transfer, or withdrawal of District money may be made by joint action of any two (2) of the following four (4) individuals: the Board President, the Treasurer, the General Manager and the Director of Finance and Human Resources. The authority of the Board President, the Treasurer, the General Manager and the Director of Finance and Human Resources shall be limited by the following:

(a) The Board President, Treasurer, General Manager and the Director of Finance and Human Resources shall make only those withdrawals of District's money (whether by check, warrant or electronic transfer) as are consistent with the Annual Budget (or any amendments, additions, modifications, or corrections thereto) as approved by the Board of Directors, or

(b) The Board President, Treasurer, General Manager, and the Director of Finance and Human Resources shall make only those withdrawals of District's money (whether by check, warrant or electronic transfer) as are authorized pursuant to Resolution No. 2023-01 or any successor resolution adopted by the Board of Directors establishing procedures for the payment of claims and demands, including payroll, and

(c) All deposits of funds shall be made in accordance with this Resolution.

**Section 5.** The Board of Directors does hereby authorize the deposit and withdrawal of District money (whether assigned to the funds identified in Sections 1 or 2 above or otherwise accruing as general funds) in the following entities and institutions:

(a) The Local Agency Investment Fund in accordance with the provisions of Government Code Section 16429.1 for the purposes of investment as set forth therein.

(b) US Bank or any other financial institution located in Orange County meeting the requirements of Government Code Section 53601 or 53630 et seq. for the purposes of deposit and investment as set forth therein.

(c) The Investment Trust of California, doing business as CalTrust, in accordance the provisions of Government Code Section 16429.1 for the purposes of investment as set forth therein.

(d) The California Cooperative Liquid Assets Securities System, doing business as California CLASS in accordance with the provisions of Government Code Section 16429.1 for the purposes of investment as set forth therein.

(e) As otherwise authorized pursuant to the District's Investment Policy.

**Section 6.** In addition to Section 4 above, all transfers between accounts may be made by joint action of any two (2) of the following four (4) individuals: the Board President, Treasurer, General Manager and the Director of Finance and Human Resources, without the prior approval of the Board; provided, however, that the General Manager and Director of

Finance and Human Resources shall record such transfers and report the same to the Treasurer and the Board at the next regularly scheduled meeting. In no event shall transfers between investment accounts and operational accounts exceed the amount of funds sufficient for the normal operations of the District in accordance with the Annual Budget, unless otherwise specifically approved by the Board of Directors.

**Section 7.** Pursuant to Government Code Sections 53635 and 53601, the District's investments may include (but are not limited to):

(a) Deposits of no more than \$3 million dollars in negotiable certificates of deposit (including accruing interest), provided however, that in no event shall purchases of certificates of deposit exceed thirty (30%) of the District's surplus money. Certificate of Deposit (or Time Deposits) shall be placed with commercial banks, savings banks, savings and loan associations, or credit unions that are insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA).

(b) Deposits of no more than \$10 million dollars in securities of the U.S. Government or its agencies, fully guaranteed as to payment by the U.S. Government or the agency.

**Section 8.** The General Manager and the Director of Finance and Human Resources at the direction of the Treasurer shall prepare and present to the Board an annual statement of investment policy as required by Government Code Section 53646. The annual statement of investment policy shall be approved by resolution of the Board, and it shall include the names and signatures of the then current Board President, Treasurer, General Manager and Director of Finance and Human Resources as the persons authorized to deposit, transfer, and withdraw District money.

**Section 9.** The General Manager, and the Director of Finance and Human Resources shall at the direction of the Treasurer prepare and present to the Board for approval the quarterly reports required by Government Code Section 53646.



**RESOLUTION NO. 2024-09**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, APPROVING THE ANNUAL STATEMENT OF INVESTMENT POLICY FOR FISCAL YEAR 2024-2025 (JULY 1, 2024 THROUGH JUNE 30, 2025).**

**WHEREAS**, pursuant to Government Code Section 53630 et seq., all money belonging to the Midway City Sanitary District ("District") shall be deposited for safekeeping in accordance with the provisions of Government Code Section 53635 and may be invested in accordance therewith; and

**WHEREAS**, pursuant to Government Code Section 53601 the District's Board of Directors may direct the investment of surplus money in its treasury that is not required for the immediate necessities of the District; and

**WHEREAS**, this Resolution sets forth the District's Investment Policy and provides for compliance with the above referenced Government Code provisions.

**WHEREAS**, pursuant to Government Code Section 53646, the Board of Directors of the District must consider in each year a Statement of the District's Investment Policy; and

**WHEREAS**, this Resolution sets forth the election of the Board of Directors of the District to delegate the authority for investment and reinvestment of District funds to the Finance/HR Director with the signatures as authorized by the Board of Directors of the District.

**WHEREAS**, this Resolution sets forth the names and signatures of the persons authorized to deposit, transfer and withdrawal the moneys of the District in accordance with the District's Investment Policy and applicable law.

**NOW, THEREFORE**, the Board of Directors of the Midway City Sanitary District does hereby **RESOLVE** as follows:

**Section 1:** The Statement of Investment Policy stated in Exhibit "A" hereto, and incorporated herein by this reference, is approved for the 2024-2025 Fiscal Year.

**Section 2:** In accordance with the District's Investment Policy, the officials of the District set forth in Section 3 herein or their successors are authorized for the 2024-2025 Fiscal



Year to approve the investment and reinvestment of the District's monies and surplus funds in accordance with Government Code Sections 53635 and 53601.

**Section 3:** The following Midway City Sanitary District officers or their successors in office shall be authorized to order the deposit, transfer, or withdrawal of money on behalf of the District so long as the same shall be in accordance with the District's approved Investment Policy:

<u>Name and Title of Authorized Signatories</u>	<u>Signatures</u>
Director Serving as President	_____ /S/
Director Serving as Treasurer	_____ /S/
General Manager	_____ /S/
Director of Finance	_____ /S/

For any such transaction, any of the two signatories shall be a member of the Board of Directors.

**Section 4:** If any prior resolution is inconsistent with this Resolution, it is hereby repealed as to any inconsistent part.

**PASSED AND ADOPTED,** at a regular meeting of the Board of Directors of Midway City Sanitary District of Orange County, California, held this 16<sup>th</sup> day of April, 2024.

\_\_\_\_\_  
/S/  
Mark Nguyen, President

ATTEST:

\_\_\_\_\_  
/S/  
Andrew Nguyen, Secretary

**EXHIBIT "A"**

**MIDWAY CITY SANITARY DISTRICT  
STATEMENT OF INVESTMENT POLICY  
FISCAL YEAR 2024-2025 (July 1, 2024 through June 30, 2025)**

**A. PURPOSE**

This statement of investment policy is provided for the following purposes:

1. To report the principles applicable to the prudent investment of all District monies available for deposit or investment as surplus funds.
2. To provide a clear understanding to the Board of Directors, the Board President, the Treasurer, the General Manager and Director of Finance and Human Resources (as the District's responsible employees under Resolution 2024-08) and to third parties (whether investment advisors or otherwise), as to the objectives and policies of the District applicable to the investment of its money.
3. To establish a basis for evaluating investment results.

**B. TERM**

This statement is applicable to investments made in the fiscal year 2024/2025, and it shall be revised as appropriate and presented to the Board on an annual basis.

**C. SCOPE**

This statement applies to the general funds of the District necessary for day-to-day operations, which are generally kept in accounts that are available to be drawn upon on an as needed basis. This statement also applies to the surplus money of the District that is available for investment.

**D. STANDARD OF CARE**

The District shall operate with a cash management system that is sufficient to allow the General Manager and the Director of Finance and Human Resources to monitor and forecast accurately the expenditures and revenues of the District. The District's investments shall be selected and maintained in accordance with the prudent investor standard, which means that the District's Board President, its Treasurer, its General Manager, its Director of Finance and Human Resources, and all of the Board of Directors of the District, when participating in investment decisions on behalf of the District, are considered trustees having a fiduciary relationship to the public. This duty shall mean:

When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.  
See, Government Code Section 53600.3.

The Standard of Care should be viewed in the context of overall management of the District's money, and it shall be the policy of the District to view investments made in accordance with this policy and under applicable law as exercised with reasonable care; accordingly, the Board President, the Treasurer, the General Manager and the Director of Finance and Human Resources shall be relieved of personal responsibility for investments that deviate from all reasonable expectations if the same are reported in a timely fashion to the Board and appropriate corrective action is taken to control adverse developments.

#### **E. ETHICS AND CONFLICTS OF INTEREST:**

The Board of Directors, the Treasurer, the General Manager, and the Director of Finance and Human Resources, as involved in the investment process, shall refrain from personal business activities that could conflict with proper execution of the District's investment program, or which could impair their ability to make impartial investment decisions.

#### **F. OBJECTIVES**

The primary objective of the District's cash management system is to meet the operating expenses and capital requirements of the District first and foremost, and second to provide excess funds for investment to the fullest extent possible. The primary objectives for the investment program are, in priority order:

1. To Safely Preserve Capital
2. To Provide Liquidity
3. To Earn a Reasonable Rate of Return Commensurate with Safety and Liquidity

To accomplish the safety objective, all deposits and investments of the District shall comply with the limitations on deposits and investments imposed by Government Code Sections 53601 and 53630 et seq., including but not limited to all diversification or percentage investment restrictions.

To accomplish the liquidity objective, the District's Board President, Treasurer, General Manager and Director of Finance and Human Resources shall determine no less frequently than quarterly the amount of money recommended to be held by the District in liquid or readily available investments. Acceptable liquid investments include, subject only to limitations of applicable law:

1. Checking and Savings Accounts, whether interest bearing or otherwise to be established at US Bank or any other financial institution located in Orange County and meeting the requirements of Government Code Section 53601 or 53630 et seq. for the purposes of deposit or investment.
2. Interest Bearing Fund Deposits into the State Local Agency Investment Fund (LAIF), and US Bank.
3. Short-term certificates of deposit 90 days to maturity provided that not more than 30% of District's surplus funds are placed on deposit pursuant to Government Code Section 53601.
4. Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7, including but not limited to the Investment Trust of California, doing business as CalTrust or the California Cooperative Liquid Assets Securities System, doing business as California CLASS.

To accomplish the reasonable rate of return objective, the District's Board President, Treasurer, General Manager and Director of Finance and Human Resources shall determine no less frequently than quarterly the amount of money recommended to be held by the District in inactive or long-term investments. Acceptable inactive (investments unavailable without 30 days or more notice) or long-term investments include, subject only to limitations of applicable law:

1. Certificates of deposit having a maturity date no greater than one year from the date of purchase, provided that not more than 30% of the District's surplus funds are placed on deposit, pursuant to Government Code Section 53601.
2. Securities of the U.S. Government or its agencies fully guaranteed as to payment by the U.S. Government or the agency.
3. Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7, including but not limited to the Investment Trust of California, doing business as CalTrust or the California Cooperative Liquid Assets Securities System, doing business as California CLASS.

## **G. ADVISORS**

The Board of Directors may engage the services of one or more registered investment advisors to assist the Board President, Treasurer, General Manager and Director of Finance and Human Resources in the management of the District's investments. Such advisors are expected to act in accordance with this statement of policy and shall be familiar with investment laws applicable to public agencies. Further, any external investment advisor shall be registered under the Investment Advisors Act of 1940, or shall be exempt from such registration.

The District has established an annual process of independent review by an external auditor. The objective of the review is to provide internal control by assuring compliance with policies and procedures.

## **H. REPORTING**

No less frequently than monthly, the Treasurer shall report to the Board of Directors the investment and reinvestment of funds authorized by the Treasurer in that period.

No less frequently than quarterly, the General Manager and the Director of Finance and Human Resources, at the direction of the Treasurer, shall present to the Board of Directors a report stating:

1. The types of investments currently held by the District.
2. The issuers, dates of maturity, and par and dollar amount of all investments.
3. Descriptions of any money invested in programs managed by contract parties.
4. Current market value of any securities managed by outside parties.
5. Status of compliance with the investment policy.
6. Statement of ability to meet expenditure requirements for the next six months.

7. If investments are held in the State LAIF, CalTrust, California CLASS, or in FDIC or NCUA insured accounts or county investment pools, then the most recent statements received by the District from these institutions may be provided in lieu of items 1 through 4 above.

See, Government Code Section 53646.

**RESOLUTION NO. 2023-09**  
**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE**  
**MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY**  
**APPROVING AMENDED PURCHASING POLICY AND**  
**PROCEDURES.**

THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT FINDS AND DETERMINES AS FOLLOWS:

A. The Midway City Sanitary District Board of Directors previously adopted amended Purchasing Policy and Procedures in 2014 and revised said Purchasing Policy and Procedures in 2015, 2016, and 2017.

B. The Board of Directors has determined that the existing Purchasing Policy and Procedures should be revised and updated..

C. Rents, the cost of land, wages and benefits, taxes, insurance rates and the administrative costs of doing business are substantially higher for businesses located within the District's jurisdictional boundaries than for many businesses located elsewhere.

D. It is well-documented that other states and jurisdictions are actively soliciting local businesses to relocate elsewhere based on the higher cost of doing business locally, the result of which is an erosion of the local economic base. Erosion of the local economic base will reduce District options available for obtaining goods and services which is likely to increase the District's costs in obtaining goods and services.

E. It is in the interests of the District's ratepayers that businesses currently located within the District's jurisdictional boundaries remain locally based instead of relocating to outlying areas or other states.

F. Based upon the foregoing, the District's local vendor preference is supportive of local economic development and maintained local economic viability.

**NOW, THEREFORE,** the Board of Directors of the Midway City Sanitary District resolves as follows:

Section 1: The Purchasing Policy and Procedures attached hereto as Exhibit A are hereby approved.

2. Section 2: The District's Purchasing Policy and Procedures adopted in 2014 and amended in 2015, 2016, and 2017 are hereby rescinded.

**PASSED AND ADOPTED**, at a regular meeting of the Board of Directors of Midway City Sanitary District of Orange County, California, held this 4th day of April, 2023.

                  /S/  
Tyler Diep, President

ATTEST:

                  /S/  
Andrew Nguyen, Secretary

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## **MIDWAY CITY SANITARY DISTRICT PURCHASING POLICY AND PROCEDURES**

### **Section 1: Introduction**

This policy shall be known as the Midway City Sanitary District's (District) Purchasing Policy and Procedures (Policy). Its purpose is to: establish policies and procedures for the purchase of Goods, Services, and the award of Contracts for Public Works Projects at the lowest possible cost commensurate with the quality needed; exercise positive financial control over purchases; ensure the District complies with state laws governing the award of Contracts for Goods, Services and Public Works Projects; and clearly define authority for District purchases.

### **Section 2: Administrative Rules and Procedures**

The General Manager may issue and enforce such administrative rules and procedures as required and necessary to carry out the intent and purposes of this Policy.

### **Section 3: Authorization by the Board of Directors**

The purchase of any Goods and/or Services having an estimated value greater than \$40,000, and/or award of Contracts for Public Works Projects having an estimated value greater than \$15,000, shall be subject to approval by the Board of Directors. Procurements shall not be artificially split or divided into different individual Contracts so as to keep each Contract amount below monetary thresholds set forth in this Policy. Notwithstanding the foregoing, the General Manager may approve Procurements valued greater than the amounts specified above in emergency situations pursuant to Section 9, Paragraph E, and Section 10, Paragraph B.11., herein.

### **Section 4: Specific Authorization for General Manager to Purchase and Enter into Contracts**

- A. The General Manager is authorized to approve Procurements of Goods and/or Services having an estimated value of \$40,000 or less, and to award Contracts for Public Works Projects having an estimated value of \$15,000 or less, without prior authorization from the Board of Directors. The General Manager shall require that such Procurements be made in conformance with the policies established herein. The Board of Directors may require that the General Manager provide periodic reports regarding Procurements made under such authorization to the Board of Directors at a regular meeting.
- B. The General Manager is authorized to approve Change Orders or amendments to Contracts for Goods and/or Services for changes or additions to the original scope of Goods and/or Services up to the cumulative amount of ten percent of the awarded Contract amount or \$15,000, whichever is greater, or as otherwise expressly authorized by the Board of Directors. For Change Orders or amendments to Contracts approved by the Board of Directors, the General Manager shall inform the Board of Directors of the Change Order or amendment at the next regular Board meeting after it is authorized. Except as set forth herein,



- changes to Contracts approved or awarded by the Board of Directors require Board of Directors' approval.
- C. The General Manager is authorized to execute agreements on behalf of the District, in a form approved District Counsel, providing for indemnification by the District of the other party to the agreement (a) where the value of the agreement, other than indemnification, does not exceed \$40,000 and Board of Directors' approval of the agreement is not otherwise required, or (b) for the use of public or private property by the District, provided, however, that any such indemnity provision shall be specifically limited to claims, losses, damages, or injuries arising from the District's use of such property.
- D. The General Manager shall have the authority to:
1. Determine the purchasing method(s) to be used, which shall be consistent with this Policy.
  2. Procure Goods, Services and/or award Contracts for Public Works Projects required by the District in accordance with the purchasing policies set forth in this Policy and/or as directed by the Board of Directors.
  3. Negotiate and recommend the execution of Contracts for the procurement of Goods, Services and/or Public Works Projects.
  4. Act to procure the needed quality in Goods and/or Services, along with the award of Contracts for Public Works Projects, at the least overall expense to the District.
  5. Delegate appropriate authority to District staff.
  6. Endeavor to obtain as full and open competition as reasonable for Procurements.
  7. Prepare, update, and implement rules and procedures consistent with this Policy governing the purchase of Goods and Services, and the award of Contracts for Public Works Projects for the District.

### **Section 5: Decentralized Purchasing**

The District's purchasing system is decentralized in order to maintain a continuous supply of Goods and/or Services necessary to support the District's operations and meet the District's obligations to the public. Each Originating Department is responsible for compliance with the District's policies, procedures and any and all applicable laws.

### **Section 6: Authorization for Payment(s)**

Authority to approve payments for Goods, Services, and Public Works Contracts will lie with the District General Manager, subject to review by the Board Treasurer and approval and/or ratification by the Board of Directors at a Board meeting.

**Section 7: Encumbrance of Funds**

Except in cases of emergency, no Contract or Procurement shall be made for Goods, Services, or Public Works Projects unless an unencumbered appropriation in the current fiscal year budget can be identified, or unless authorized by the Board of Directors.

**Section 8: Ethics**

- A. District personnel shall not accept gifts, rebates, kickbacks, personal services, or in any way incur personal gain from any Contractor, actual or potential, doing business with the District.
- B. No District employee or Board Member shall have a direct or indirect individual interest in any Contract or purchase of goods or services entered into by the District, or shall derive any personal benefit from the District's purchase of Goods and/or Services. Without limiting the foregoing, no District employee or Board Member shall make any Contract, participate in the making of any Contract, or in any way attempt to use his or her official position to influence any decision on any Contract, in violation of Government Code sections 87100 *et seq.* or Government Code section 1090.
- C. No District employee or Board Member shall use the purchasing procedures to obtain property or services for personal use or by misrepresenting to Contractors that personal purchases are for the District (i.e., for the purpose of obtaining price discounts). Notwithstanding the above, Mechanics in the Fleet Maintenance Department may personally purchase their own tools from Contractors which may be used in the maintenance of the District's fleet. These tools are the property of the individual mechanic, and the District has no obligation to purchase or replace tools personally bought by the employee.

**Section 9: Bidding, Purchasing and Contracting for Goods and/or Services****A. \$10,000 or less:**

No bidding is required for Contracts for Goods and/or Services of \$10,000 or less, including all applicable taxes and shipping. At the discretion of the General Manager, at least two (2) quotes shall be obtained to ensure the lowest overall cost to the District.

**B. More than \$10,000, and up to and including \$125,000:**

Except as otherwise provided in this Policy, the following Informal Bid Process is required for Procurements of Goods and/or General (but not Professional) Services, including taxes and shipping, that is estimated to be more than \$10,000, and up to and including \$125,000:

1. Written informal bids or proposals shall be solicited from at least three (3) vendors identified by District staff not less than ten (10) days before bids/proposals are due.
2. When soliciting informal bids or proposals, District staff shall: (1) describe the Goods and/or Services in general terms; (2) advise vendors how to obtain additional information about the Goods and/or Services; (3) state the date, time, method and place for the submission of bids/proposals; (4) for particular Services, advise prospective vendors when the award will be based on the Best Value evaluation as determined by the Board of Directors or General Manager, as applicable; (5) advise vendors that the District may reject any and/or all bids or proposals received, and may waive any minor irregularities in each bid or proposal received; and (6) include any other information required by federal, state or local law, as applicable.

**C. Over \$125,000:**

Except as otherwise provided in this Policy, a Formal Bid Process is required for procurements of Goods and/or General Services, including taxes and shipping, that is estimated to be over \$125,000. The District shall solicit formal sealed bids in accordance with the following procedures:

1. Publish a Notice Inviting Bids that contains (a) a description of the Goods and/or Services required, (b) a description of the selection process, (c) bidder's security requirement, if applicable, (d) performance bond requirements, if applicable, and (e) such provisions, terms, and conditions, consistent with this Policy, that are deemed necessary, desirable, and/or advantageous to the District;
2. Open the bids publicly at the time and place designated in the Notice Inviting Bids, and record the amount of each bid;
3. Determine whether the bids are responsive to the Notice Inviting Bids; and
4. Take one of the following actions:
  - (a) Award the Contract to the lowest Responsive and Responsible Bidder;
  - (b) Reject any and all bids presented and/or re-advertise the bid; or
  - (c) Declare that the Goods and/or Services may be acquired at a lower cost by negotiation in the open market and authorize the Procurement in that manner.

5. If two or more bids received are for the same total amount or unit price, the District may accept the one it chooses or accept the lowest bid made by negotiation with the tie bidders at the time of the award.

#### D. **Professional Services**

To ensure the selection of Professional Services are based on demonstrated competence and on professional qualifications necessary for the satisfactory performance of the services required, the following procedures shall be followed for the Procurement of Professional Services:

1. \$40,000 or less

For the Procurement of Professional Services estimated to cost \$40,000 or less, the General Manager shall informally request at least two (2) proposals from vendors providing the type of services needed. The General Manager shall engage the most qualified person or firm based upon demonstrated competence and on professional qualifications necessary for the satisfactory performance of the services required, as determined in the sole discretion of the General Manager. Over \$40,000

- (a) For the Procurement of Professional Services estimated to cost more than \$40,000, a Request for Proposals shall be issued for each Professional Service requested. Multiple projects may be bundled into one Request for Proposals such that multiple Contract awards may result from one Request for Proposals and selection may be based upon specialized services. Each Request for Proposals shall require that proposals contain, at a minimum, the following information:
  - i. The firm's qualifications for performing the proposed work.
  - ii. The firm's relevant experience and performance on similar projects.
  - iii. A fee proposal, based on the method of compensation specified in the Request for Proposal, and an estimate of total fees.
  - iv. The firm's ability to complete the work within the time allotted.
  - v. The personnel that will be assigned to the project.
  - vi. A statement that the firm's engagement for the project would not create a conflict of interest.
  - vii. Any other information required to properly evaluate the firm's qualifications and experience with similar projects.

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- viii. Proposals for construction management services shall demonstrate that the designated personnel have expertise and experience in construction project design review and evaluation, construction mobilization and supervision, bid evaluation, project scheduling, cost-benefit analysis, claims review and negotiation, and general management and administration of a construction project.
- (b) The District shall publicize each Request for Proposals by one or more of the following methods:
- i. Advertising in the publications of professional societies;
  - ii. Mailing, electronic mailing, or faxing the Request for Proposals to each vendor who has submitted a Statement of Qualifications;
  - iii. Mailing, electronic mailing, or faxing the Request for Proposals to at least three firms qualified to furnish the required services as identified in the Qualified Bidders List or as otherwise identified by District staff;
  - iv. Posting the Request for Proposals on the District website; and/or
  - v. Using other publication methods that may be beneficial to increasing the number of qualified proposals received by the District.
- (c) The General Manager shall evaluate the proposals for the Board of Director's review. In his or her discretion, the General Manager may appoint an evaluation committee to evaluate the proposals.
- (d) All proposals shall be evaluated and ranked, from most qualified to least qualified, based on each firm's demonstrated competence and professional qualifications necessary for the satisfactory performance of the services required.
- (e) The General Manager may conduct interviews of firms based on the proposal rankings in order to determine final rankings.
- (f) At the Board's Direction, the General Manager shall negotiate a Contract with the firm that the General Manager and/or the evaluation committee deems to be most qualified. If the General Manager is unable to negotiate a satisfactory Contract with the firm deemed to be most qualified, the General Manager shall terminate negotiations with that firm and may negotiate with the firm deemed to be second most qualified. If those negotiations fail, the General

Manager shall negotiate with the third most qualified firm, and so on, until an agreement is reached or the General Manager determines that it is in the best interest of the District to reject the remaining firms. If the Board of Directors determines that it is in the best interest of the District, the Board of Directors may award more than one Contract to the most qualified firms or reject all proposals.

**E. Emergency Purchases for Goods and/or Services**

Where the Board of Directors or General Manager determines that an emergency exists, any one of them may authorize the purchase of Goods and/or Services without following the District's procurement procedures set forth herein, including competitive bidding procedures and/or obtaining contracting approval as otherwise normally required. If the emergency purchase is for Professional Services, such purchase shall be based upon a vendor's demonstrated competence and qualifications for the types of services to be performed at a fair and reasonable price. For the purposes of this exception, emergency procurements are those purchases that are required to prevent immediate interruption or cessation of necessary services or to safeguard life, property, or the public health and welfare.

For all emergency purchases that would otherwise require Board of Directors' approval due to contract amount, or which would have otherwise required a Formal Bid Process, the General Manager shall inform the Board of Directors of the Procurement at the next regular Board meeting after the purchase is authorized.

**F. Prevailing Wage Service Contracts**

Contracts over \$1,000 for certain Services, including, but not limited to, installation, maintenance, repair work, or certain other work done for the District, may be Prevailing Wage Contracts subject to the requirements of Labor Code section 1720 *et seq.* and other laws and requiring the payment of prevailing wages. including, without limitation, requirements that Contractors be registered with the Department of Industrial Relations ("DIR") and maintain certified payroll records, and that for Prevailing Wage Contracts over \$25,000 involving construction, alteration, demolition, installation, or repair work, and Prevailing Wage Contracts over \$15,000 involving maintenance work, the District not enter into or award a Contract to a Contractor that is not registered with the DIR and that the District submit notice of Contract award through DIR's PWC-100 system within 30 days of the award, but in no event later than the first day in which a Contractor begins work. Notwithstanding the provisions of this Policy, for Contracts for Services that are Prevailing Wage Contracts, a Procurement

process shall be utilized, which complies with all aspects of state and local law governing Prevailing Wage Contracts, including, but not limited to, the Public Contract Code, Labor Code, State Regulations, Ordinances, Resolutions and Policies of the Board of Directors as may be adopted from time-to-time.

## **Section 10: Bidding, Purchasing and Contracting for Public Works Projects**

### **A. \$15,000 or Less**

A Formal Bid Process is not required for Public Works Projects valued at \$15,000 or less. For Procurement of Public Works Projects valued at \$15,000 or less, the processes identified for Goods and/or Services above may be used based on the corresponding monetary value.

### **B. More than \$15,000**

1. For Procurement of Public Works Projects over \$15,000 and subject to Public Contract Code section 20800 *et seq.*, a Formal Bid Process shall be utilized, which complies with all aspects of federal, state and local law governing formal competitive bidding, including, but not limited to, the Public Contract Code, Government Code, Labor Code, State Regulations, Federal Regulations, grant requirements, Ordinances, Resolutions and Policies of the Board of Directors as may be adopted from time-to-time.
2. The notice inviting formal bids shall comply with the requirements set forth in Public Contract Code section 20804. At a minimum, the notice inviting formal bids shall:
  - (a) Describe the project in general terms and state the project to be done;
  - (b) State how to obtain more detailed information about the project. The specifications shall not call for a designated material, product, thing, or service by specific brand or trade name unless the District complies with the requirements under Public Contract Code section 3400 *et seq.*;
  - (c) State the deadline, including date, time and place, for the submission of sealed bids that is at least ten (10) calendar days after publication or posting of the notice;
  - (d) Require bidders to post one of the following forms of bidder's security: (a) cash, (b) a cashier's check made payable to the District, (c) a certified check made payable to the District, or (d) a bidder's

bond executed by an admitted surety insurer, made payable to the District;

- (e) State that a payment bond is required for a Contract for a Public Works Project involving an expenditure in excess of twenty-five thousand dollars (\$25,000) as required pursuant to Civil Code section 9550. For Contracts at or below \$25,000, a payment bond may be required;
  - (f) Include a provision stating that the Contractor will be permitted to substitute securities for any monies withheld by the District to ensure performance of the Contract pursuant to Public Contract Code section 22300;
  - (g) Specify the classification of the contractor's license the Contractor must possess at the time a Contract is awarded as required pursuant to Public Contract Code section 3300;
  - (h) Include all statements required to be included in calls for bids and bid invitations for Prevailing Wage Contracts pursuant to State law, including, without limitation, Labor Code sections 1771.1(b) and 1771.4(a) and Public Contract Code section 6109;
  - (i) Advise vendors that the District may reject any and/or all bids received and re-advertise, and that the District may waive any minor irregularities in each bid received;
  - (j) Set forth a procedure that shall be followed in the event of a tie between the lowest Responsive and Responsible bidders;
  - (k) Include any other information required by federal, state or local law, as applicable, or whatever provisions, consistent with this Policy, that the General Manager determines are necessary, desirable, and/or advantageous to the District.
3. Each notice inviting bids shall be published in a newspaper of general circulation or posted in at least three public places in the District at least ten (10) days before the date for the opening of bids consistent with the requirements set forth in Public Contract Code section 20804.

Bid Opening:

- (a) Sealed bids shall be submitted to the place designated in the notice inviting bids, time stamped when received, and shall clearly identify the bidder and the name of the project on the envelope.



- (b) Bidders may modify or withdraw their bids prior to the deadline for submitting bids, without penalty. However, any modifications submitted after the bid opening will not be accepted. Such modification will be returned to the bidder, unopened.
- (c) Bids shall be opened in public at the time and place stated in the public notice.
- (d) The General Manager or his/her designee shall open the bids and shall record all bids received.
- (e) Bids shall be submitted so that they will be received at the place designated in the notice inviting bids not later than the exact time specified in the notice. Any bid received after the exact time specified in the notice shall be returned to the bidder, unopened. A bid shall be considered to have been timely submitted if it is received at any time during the sixty second duration of the minute of of the exact time specified in the notice (for example, if the notice provides that the bid is to be submitted no later than 2:00, the bid will be considered timely submitted as long as it is received before 2:01).
- (f) When a bidder's security is required, it will be announced in the public notice inviting bids. The amount shall be determined at the time of preparation of the bid. When a bidder's security is required, a bid shall not be considered unless one of the aforementioned forms of security accompanies the bid. Unsuccessful bidders shall be entitled to return of the bid security within a reasonable period of time, but no later than 60 days from the time award is made.

The successful bidder must execute the Contract and file acceptable documents within thirty (30) calendar days from the date of award unless extended in writing by the General Manager. Failure to execute the Contract shall be just cause for annulment of the award and forfeiture of the bidder's security, not as a penalty, but as liquidated damages. The Board of Directors may, upon refusal or failure of the successful bidder to execute the Contract, award the Contract to the next lowest Responsive and Responsible Bidder.

#### 4. Bid Protests:

- (a) Any bidder claiming that another bidder is not a Responsive and Responsible Bidder shall submit a formal written protest conforming to the requirements of this section to the General Manager or his/her designee in person, by U.S. mail, or to the address and in the manner

otherwise specified in the bid solicitation. Any protest not conforming to the requirements of this section may be rejected as invalid.

- (b) Unless a longer period is specified in the request for bids, to be considered a valid protest, a bid protest must be received by the General Manager or designee no later than 5:00 p.m. on the fifth business day after the date of the bid opening. If the fifth business day falls on a weekend or a District holiday, the deadline to submit a protest shall be extended to 5:00 p.m. on the next business day.
- (c) A bidder submitting the protest shall concurrently transmit a copy of the protest to the bidder deemed the apparent lowest bidder and to any other bidder that is the subject of the protest.
- (d) Bid protests must include the name, address and telephone number of the protestor and/or the person representing the protesting party. The written protest must set forth, in detail, all grounds for the protest, including, without limitation, all facts, supporting documentation, legal authorities, and arguments in support of the grounds for the protest. All factual contentions must be supported by evidence. Any matters not set forth in the formal written protest will be deemed waived.
- (e) The General Manager shall review a timely bid protest and transmit a written determination on the protest stating the reasons for the determination to the protesting bidder and all other affected bidders. Such determination may be transmitted by U.S. mail or email and shall be deemed transmitted on the date it is deposited in the U.S. mail or sent via email. The General Manager may base his/her determination on the written protest alone or may informally gather evidence from the person(s) filing the protest or any other person having relevant information.
- (f) If a bidder disagrees with the determination on the protest made by the General Manager, the bidder may appeal the General Manager's determination to the Board of Directors. Any such appeal shall be in writing and shall be filed with the General Manager within five business days of transmittal of the General Manager's determination. The Board of Directors shall not consider award of the Contract until the time for appeal has expired.
- (g) The procedures and time limits set forth in this section are mandatory and are a bidder's sole and exclusive administrative remedy in the event of a bid protest. A bidder's failure to comply with these procedures shall constitute a waiver of any right to further pursue a bid protest and/or legal challenge to the District's award of the Contract.

5. Evaluation of Bids:

The General Manager shall independently evaluate and determine whether each bidder is a Responsive and Responsible Bidder and make a recommendation to the Board of Directors regarding award of the Contract. The Board of Directors shall award the Contract to the lowest Responsive and Responsible Bidder. In determining whether a Bidder is Responsible, the District will take into consideration:

- (a) Ability, capacity, and skill;
- (b) Ability to meet the time requirements;
- (c) Character, integrity, and reputation;
- (d) Previous Contractor experience;
- (e) Financial resources available for contract performance;
- (f) Ability to provide future maintenance and service (warranties), if necessary; and
- (g) Any other criteria identified in request for bids, instructions to bidders or specifications relevant to the trustworthiness, quality, fitness, or capacity of a bidder to perform the Contract.

If the General Manager determines that any bidder is not a Responsive Bidder and/or a Responsible Bidder, the General Manager shall notify the bidder in writing of the basis of this determination and any related information or evidence received from others or adduced as a result of an independent investigation, afford the bidder an opportunity to rebut such determination and/or adverse evidence, and permit the bidder to present evidence that it is a Responsive and Responsible Bidder prior to consideration of award of the Contract by the Board of Directors.

6. Rejection of Bids:

The District reserves the right to reject any and/or all bids, to accept or reject any one or more items of a bid, or to waive any irregularities or informalities in the bids or the bidding process if it is deemed in the best interest of the District.

If, after the first invitation of bids, all bids are rejected, the District may elect to re-advertise for bids, re-evaluate the project, or cancel the project to consider it at a later date.

7. Tie Bids:

If tie low responsive and responsible bids are received, quality and service being equal, the District may, at its discretion:

- i. Reject any and/or all bids presented and re-advertise;
- ii. Accept either one or accept the lowest bid made by negotiation with the tie bidders; or
- iii. Award the bid to any one of the low tie bidders by lot occurring during a public meeting.

8. No Bids:

If the District does not receive any bids for a particular project, the Board of Directors may have the project done without completing a further Formal Bid Process, and the Board of Directors may direct the General Manager to award a construction Contract through a Negotiated Procurement.

10. Awarding:

Unless the District rejects all bids, the Board of Directors shall award the Contract to the lowest Responsible and Responsive Bidder. The Board of Directors shall award the Contract during a public meeting. For Contracts over \$25,000, the Board of Directors shall require that the Contractor awarded the Contract file, before commencement of work, a payment (performance) bond that is no less than 100 percent of the total amount due under the Contract. For Contracts at or below \$25,000, a payment (performance) bond may be required.

11. Change Orders:

The General Manager and/or Finance Director are authorized to approve Change Orders for changes or additions to the original scope of services up to the cumulative amount of ten percent of the awarded contract amount or \$15,000, whichever is greater, or as otherwise expressly authorized by the Board of Directors. For such Change Orders, the General Manager shall inform the Board of Directors of the Change Order at the next regular Board meeting after it is authorized. Except as set forth herein, changes to formal Contracts awarded by the Board of Directors require Board of Directors' approval.

12. Specified Emergencies:

In the event of an emergency as defined in Public Contract Code section 1102 as "a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services" or as

described in Public Contract Code section 20806 as "work to prepare for national or local defense", the District may enter into a Contract for the construction of a Public Works Project through Negotiated Procurement if the Board of Directors adopts findings by a four-fifths vote of its members declaring that the public interest and necessity demand the immediate expenditure of District funds to safeguard life, health, or property. In the event the Board of Directors is unavailable in an emergency, as defined in this paragraph, the General Manager is authorized to enter into a Contract for the repair or replacement of a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without following the District's procurement procedures set forth herein, including competitive bidding procedures and/or obtaining contracting approval as otherwise normally required. The District shall comply with the requirements set forth in Public Contract Code section 20806 and Public Contract Code sections 22050 *et seq.*, for specified emergencies.

**C. Design-Build**

Where authorized by the Public Contract Code or other statute, the District may utilize a design-build selection process for the award of Public Works Contracts.

**D. Prevailing Wage Contracts for Public Works Projects**

Contracts over \$1,000 for Public Works Projects are Prevailing Wage Contracts subject to the requirements of Labor Code section 1720 *et seq.* and requiring the payment of prevailing wages, including, without limitation, requirements that Contractors be registered with the Department of Industrial Relations ("DIR") and maintain certified payroll records, and that for Prevailing Wage Contracts over \$25,000 involving construction, alteration, demolition, installation, or repair work, and Prevailing Wage Contracts over \$15,000 involving maintenance work, the District not enter into or award a Contract to a Contractor that is not registered with the DIR and that the District submit notice of Contract award through DIR's PWC-100 system within 30 days of the award, but in no event later than the first day in which a Contractor begins work.

**Section 11: Other Exceptions from Bidding Requirements**

- A. It is recognized that no set of rules or procedures can take every circumstance into account, and it is also recognized that occasionally circumstances may arise where it is in the District's best interest to deviate from them. In such cases the department supervisors shall bring the need to the General Manager's attention. The General Manager, on a case-by-case basis, may waive any of the requirements of this Policy for purchases of Goods and/or Services of \$40,000 or

- less. The District Board of Directors, on a case-by-case basis, may waive any of the requirements of this Policy for (1) purchases of Goods and/or Services greater than \$40,000 or (2) the award of Contracts for Public Works Projects greater than \$15,000, if permitted by State law.
- B. Where specified in this Policy, Goods and Services may be purchased by, and the award of Contracts for Public Works Projects may be made by, Negotiated Procurement. Negotiated Procurements are permitted: (1) where competitive bidding would be impossible, impractical, or incongruous, or would not result in any advantage to the District in its efforts to contract for the greatest public benefit; (2) in an emergency; (3) when the Goods and/or Services can be obtained from only one source or the price is controlled by law; (4) when the amount involved is \$10,000 or less; or (5) where compelling economic or administrative considerations warrant employment of alternate purchasing procedures. Such considerations may include, but are not limited to, circumstances in which services have been previously rendered by a Contractor who has thereby gained and exhibited unique and/or superior experience and/or expertise in relation to the District's operational requirements. Such procurement shall be negotiated by the General Manager as authorized by the Board of Directors.
- C. No provision in this Policy shall be interpreted or construed to prohibit or prevent the District from renewing or extending existing Contracts for Goods and/or Services, provided that normal procurement procedures were used in the original selection. Renewal or extension of such Contracts obligating the District to any payment exceeding \$40,000 per year shall be subject to approval by the Board of Directors.
- D. When another public agency or government purchasing cooperative organization has awarded a Contract for Goods and/or Services pursuant to a process substantially similar to the processes described in this Policy, the District may acquire such Goods and/or Services on the same or substantially similar terms without conducting its own separate Procurement process. Cooperative and "piggyback" purchasing provides a means for the District to join with other public agencies, businesses, or government purchasing cooperative organizations for the purpose of collectively preparing specifications, and requesting and receiving bids, quotations, or proposals, or utilizing the quotations and bids obtained by other governmental agencies. Examples of cooperative or piggyback purchasing include, but are not limited to, purchases made using another agency's contract, joint buying within a regional area, participation in the State of California Multiple Awards Schedules (CMAS) program and statewide commodity contracts and the utilization of contracts negotiated by municipal leagues or organizations such as the California Special Districts Association (CSDA), and California Association of Sanitation Agencies (CASA). Any Contract or arrangement for such cooperative purchases shall be subject to approval by the Board of Directors if such approval would otherwise be required. The General Manager shall inform the Board of Directors any cooperative or piggyback purchases made within the purchasing authority of the General Manager at the next regular Board meeting after the purchase is made.

**Section 12: Sole Source**

Sole Source procurement of Goods and/or Services shall not be used unless there is substantial evidence that only one source exists to fulfill the District's requirements. The Services necessary to monitor, maintain, and service the District's sewer SCADA system, which are currently reasonably available from a single vendor, is one example of Sole Source Procurement is appropriate. Except as otherwise authorized in emergency situations, all Sole Source purchases over \$40,000 require approval by the Board of Directors.

Sole Source purchases shall be well documented and provide verification that a good faith search for competition has been made or that the requested item or service provider is deemed to be the only one practicably available.

Sole Source restrictions may be waived in the event of an emergency in order to protect the health and safety of the community.

**Section 13: Solid Waste and Recycling Carts and Bins**

Solid waste and recycling carts and bins are typically ordered in bulk to meet the needs of the District and to take advantage of cost savings whenever feasible. A single order for carts or bins may exceed the dollar amount triggering use of an Informal Bid Process as set forth in Section 10. Notwithstanding Section 10, herein, the General Manager is authorized make such purchases so long as such purchases are within the District's approved budget, or unless otherwise directed by the Board of Directors. For purchases under this Section that would otherwise require Board of Directors' approval, the General Manager shall inform the Board of Directors of the Procurement at the next regular Board meeting after the purchase is authorized.

**Section 14: Local Preference**

For the purchase of Goods and/or Services, excluding Contracts for Public Works Projects, when two or more proposals or request for quotations are the same, in unit, quality, service and total cost, preference may be given to the Local Vendor.

Preference may be given to a Local Vendor if the quote for Services or Goods, including all applicable taxes and shipping, is no more than 5% higher than the lowest bid (quote) received.

**Section 15: Surplus Property**

The Board of Directors shall approve the disposition of all Surplus Property. Surplus Property may be offered for sale using any of the processes identified below, transferred to another Department, traded-in for new equipment or material, donated, recycled or disposed of through the solid waste collection system. All Surplus Property that is for sale shall be sold "as is" and "where is," with no warranty, guarantee, or representation of any kind, expressed or implied, as to the condition, utility or usability of the property offered for sale or as otherwise directed by the Board of Directors. Appropriate methods of sale are as follows: public auction; sealed bids; negotiated sale; sell as salvage; or as otherwise directed by the Board of Directors.

**Section 16: Execution of Contracts**

After award, all Contracts for Goods and/or Services at or under \$40,000, and all Contracts for Public Works Projects at or under \$15,000, shall be executed on behalf of the District by the General Manager unless otherwise directed by the Board of Directors. Contracts for Goods and/or Services over \$40,000, and Contracts for Public Works Projects over \$15,000, shall be executed on behalf of the District by the President of the Board of Directors, or his or her designee, after Board approval, unless the Board of Directors authorizes the General Manager to execute the Contract. Prior to execution of any Contract, the Contractor shall demonstrate that it is authorized to do business in California, the County of Orange, and the City of Westminster. Contractors that are organized as a corporation, limited liability company, or other entity under the laws of another state must be properly registered with the California Secretary of State pursuant to applicable law.

**Section 17: Approval by General Counsel**

District Counsel shall approve, in writing, the District's standard Contract (agreement) form. In the event that the District's standard Contract form is not applicable, the Board of Directors or General Manager, at their discretion, may direct District Counsel to review any other Contract for approval as to form.

**Section 18: Noncompliance**

Any Contract entered into which fails in any respect to comply with the provisions of this Policy may be voided by the Board of Directors.

**Section 19: Precedence over Prior Policies, Procedures, or Actions**

Upon approval by the Board of Directors, this Policy shall be deemed to take precedence over any other prior Board of Director policies, procedures, or actions that are in conflict with or inconsistent with the provisions of this Policy. If Staff identifies any conflict or inconsistency between this Policy and any other approved District policy or procedure, Staff shall inform the Board of Directors of such conflict or inconsistency in writing.

**Section 20: Definitions**

For the purposes of this section, the words and terms set forth below shall be construed in accordance with the following definitions:

- A. "Best Value" shall mean the overall combination of quality, price, and other elements of a proposal/bid (or combination of several proposals or bids) that, when considered together, provide the greatest overall benefit in response to the requirements described in the solicitation documents.
- B. "Budgeted" shall mean the amount of appropriations within a fund adopted for expenditure by the Board of Directors.




- C. "Change Order" shall mean a properly executed written agreement entered into between the District and the Contractor, or a directive unilaterally issued by the District, covering modifications to the original Contract, which may result in adjustments to the scope of work, cost and/or period of performance.
- D. "Contract" shall mean any type of arrangement for the purchase of Goods and/or Services, including construction services for Public Works Projects. Contracts may be referred to in various ways, including "contract", "agreement", or "purchase order."
- E. "Contractor" shall mean any person or entity that has a Contract with the District.
- F. "Formal Bid Process" shall mean a competitive selection process requiring a public notice inviting bids, availability of specifications, bid opening, determination of lowest responsive and responsible bidder, and awarding or rejection of the bid(s).
- G. "General Manager" means the general manager of the District or person designated by the general manager to exercise some or all of the authority or to perform all or some of the duties prescribed in this Policy.
- H. "General Services" shall mean the furnishing of labor, time or effort by a Contractor, including, but not limited to: (a) routine, recurring, and usual work for the preservation or protection of a publicly-owned, or publicly-operated facility for intended purposes; (b) minor repainting; (c) resurfacing of streets and highways; (d) landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems; and (e) work performed to keep, operate and maintain publicly-owned wastewater or solid waste disposal systems.
- I. "Goods" shall mean fixed, movable, disposable, and/or reusable products, commodities, or items used by the District, including but not limited to, office supplies, program supplies, subscriptions, equipment, vehicles, fuel and vehicle supplies, tools, computers, computer hardware and software, landscape and irrigation supplies, power tools, janitorial supplies, office furniture, and fixtures, which shall be furnished to or used by any department.
- J. "Informal Bid Process" shall mean a competitive selection process used, when applicable, to ensure the most competitive price or Best Value is received for Goods and/or Services, while avoiding the time and expense involved in formal bidding. The process requires the solicitation of written informal bids and/or proposals from potential vendors and the selection of a vendor based either on the lowest cost commensurate with the quality and scope needed, or Best Value, and subject to any limitations imposed by state law.
- K. "Local Vendor" shall mean a firm or individual who regularly maintains a place of business and transacts business in, or maintains an inventory of merchandise for sale in, or is licensed within the District's boundaries.


- L. "Negotiated Procurement" shall mean a selection process whereby the General Manager identifies one or more prospective Contractors of his or her choice, negotiates with one or more of them, and awards the Contract to one of them based on the best interest of the District.
- M. "Originating Department" shall mean any District department requiring Goods, Services, and/or the award of Contracts for Public Works Projects.
- N. "Prevailing Wage Contract" shall mean any Contract requiring the payment of prevailing wages and subject to requirements of Chapter 1 of Part 7 of Division 2 of the California Labor Code (Section 1720 *et seq.*). Prevailing Wage Contracts may include, without limitation, Contracts for either Public Works Projects or Services that involve construction, alteration, demolition, installation, maintenance, repair work, or certain other work done for the District; street, sewer, or other improvement work; the laying of carpet; the hauling of refuse from a public works site to an outside disposal facility; or the on hauling of materials used for paving, grading, and fill onto a public works site, if the individual driver's work is integrated into the flow process of construction.
- O. "Procurement" shall mean buying, purchasing, renting, leasing, or otherwise acquiring any Goods, Services, construction, construction services, or professional services.
- P. "Professional Services" shall mean services provided by any specially trained, educated, experienced or licensed person, company, corporation, or firm, and which involve the exercise of discretion and independent judgment together with an advanced or specialized knowledge, expertise, training, or unique skills gained by formal studies or experience. "Professional Services Agreements (PSA)" shall mean Contracts negotiated for Professional Services, which are based on demonstrated competence, professional qualifications for the services required, availability, and fair and reasonable cost.
- Q. "Public Works Project" shall mean any construction, reconstruction, alteration, enlargement, renewal, or replacement of sewer or other facilities that the District is authorized to do, including, but not limited to, the furnishing of supplies or materials for any such work as defined pursuant to Public Contract Code section 20801.
- R. "Purchase Order" shall mean a commercial document issued by a buyer to a seller, indicating types, quantities, and agreed prices for products or services the seller will provide to the buyer.
- S. "Qualified Bidders List" shall mean one list for ongoing service requirements for the same or very similar services, including general services, professional services, and qualified construction contractors, categorized by the type of product sold or work performed for use in soliciting bids.

- T. "Responsible Bidder" shall mean a bidder who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the work or services proposed.
- U. "Responsive Bidder" shall mean a bidder who has submitted a bid which conforms in all material respects to the terms and conditions, specifications and other requirements requested.
- V. "Services" shall mean the furnishing of labor, time or effort by a Contractor. Services include both General Services and Professional Services, unless otherwise specified.
- W. "Sole Source" shall mean an award for Goods and/or Services that are (i) of a unique nature based on their quality, durability, availability, fitness or qualifications for a particular use; or (ii) only available from one source.
- X. "Surplus Property" means property, other than real property, no longer needed by District departments for their operations, obsolete property, property in poor or non-working condition, or property that is a by-product (i.e., scrap metal, used tires, oil, etc.).



1           **PASSED AND ADOPTED**, at a regular meeting of the Board of Directors of  
2 Midway City Sanitary District of Orange County, California, held this 17th day of January,  
3 2017.

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6 Tyler M. Diep, President

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8 **ATTEST:**  
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11 Charlie C. Nguyen, Secretary

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**MIDWAY CITY SANITARY DISTRICT  
OFFICIAL TRAVEL AND EXPENSE REIMBURSEMENT POLICY**

**I. POLICY**

It is the policy of the Midway City Sanitary District to reimburse District Board members and employees for actual and necessary expenses related to travel, transportation, lodging, and meals incurred while on official District business. Except as otherwise noted, this Policy applies to all District Board members and employees. This Policy is intended to serve as the District's "Accountable Plan" under the applicable Internal Revenue Code and Treasury Regulations.

**II. ACTIVITIES QUALIFYING BOARD MEMBERS AND EMPLOYEES FOR EXPENSE REIMBURSEMENT**

**A. Board Members**

The following types of occurrences qualify Board members to receive reimbursement for authorized actual and necessary expenses incurred in the performance of official duties and/or while on official District business, provided attendance/participation has been authorized by the Board of Directors and the requirements of this Policy are met.

- (1) Meetings with federal, state, regional or county officials regarding legislative or regulatory issues affecting the District and over which the officials have jurisdiction.
- (2) Attending conferences and/or educational seminars designed to improve the attendee's expertise and information levels, including, but not limited to, ethics training required pursuant to Government Code Section 53234.
- (3) Participating in regional, state, and national organizations whose activities or interests may affect the District's interests.
- (4) Attending District sponsored or co-sponsored events and promotional activities.
- (5) Attendance at such other meetings or events or the performance of other such official duties in the interest of the District, which are approved by the District's Board of Directors.

**B. District Employees**

District employees shall be entitled to receive reimbursement for authorized actual and necessary expenses incurred in the performance of official duties and/or while on official District business, provided attendance/participation has been duly authorized and the requirements of this Policy are met.

Subject to prior authorization of the Board of Directors, the General Manager, Finance/Human Resources Director, and Director of Operations/Safety may attend such conferences, meetings, and events requiring out-of-county travel as necessary in the performance of their official duties.

Other District employees, at the discretion of the General Manager, and upon approval by the Board of Directors, may attend up to two conferences per year. A maximum of eight days will be allowed. Any additional time will be charged to vacation and no expenses will be paid over the eight days. Each employee must check with the General Manager at least two weeks prior to attending a conference to insure that their duties will be covered.

### III. EXPENSE AND REIMBURSEMENT GUIDELINES

Reimbursement for all expenses incurred for travel, conference/meeting registration fees, lodging, transportation, parking, meals, and other incidental expenses shall be subject to the guidelines set forth in this Section. For purposes of this Policy, "reimbursement" means all forms of payment for expenses incurred by District Board members and employees in the course of their official duties whether paid directly by the District (including without limitation, with a District-issued credit card) or advanced by District Board members and employees with personal funds and later reimbursed from District funds. Unless otherwise specifically provided herein, reimbursement for travel, meals, lodging, and other actual and necessary expenses shall be at the Internal Revenue Service rates presently in effect as established in Publication 463 or any successor publication. All expenses not covered by this Policy, or which are in excess of the reimbursable rates set forth in this Policy, shall not be reimbursable unless approved by the Board of Directors at a public meeting.

#### A. Conference Registration and Related Costs

Conference registration should be arranged in advance through the General Manager. All fees for registration, tuition, and educational materials provided at conferences and similar events are reimbursable.

#### B. Transportation

The most economical mode and class of transportation reasonably consistent with scheduling needs and space requirements should be used, using the most direct and time-efficient route. Government and group rates offered by a provider of transportation services should be used when available if they present the least expensive fare. Public transportation and car-pooling should be utilized when it is practical and less expensive.

##### 1. Air Travel

Air travel to and from a conference/meeting/event location, along with associated airline baggage fees, is reimbursable at coach class level. Reimbursement for first class or business class travel will only be allowed on an exception basis and must be approved in advance by the Board of Directors, based upon the physical needs or ability to conduct meaningful work while on board. All air travel should be arranged in advance through

the General Manager, if possible, and should be arranged as early as possible to take advantage of reduced fares for early reservations.

2. Ground Transportation

- a. Automobile. Travel to and from a conference/meeting/event location via personal automobile is reimbursable at the Internal Revenue Service per mile rate in effect at the time of such travel, provided, however, that such reimbursement shall not exceed the equivalent of 750 miles round trip. The IRS rates are designed to compensate the driver for gasoline, insurance, maintenance, and other expenses associated with operating the vehicle. The IRS mileage rates do not include bridge and road tolls, which shall be separately reimbursable.
- b. Car Rental. Rental vehicles may be used for travel to and from a conference/meeting/event location when use of a rented vehicle is a necessity and is less expensive than other reasonably available means of travel. Itemized receipts must be submitted with vehicle rental reimbursement requests.
- c. Taxis / Shuttles / Public Transportation. Reasonable and necessary charges for public transportation, taxi, or shuttle service associated with travel to, from, or at a conference/meeting/event locations are reimbursable at actual cost with receipts.
- d. Parking. Parking expenses associated with (i) the use of personal or rented vehicles for authorized travel or (ii) airport parking when air travel is utilized are reimbursable at actual cost with receipts.

C. Lodging

Lodging costs will be reimbursed or paid for when travel on official District business reasonably requires an overnight stay. All lodging shall be arranged in advance through the General Manager, if possible. Government and group rates offered by a provider of lodging services shall be used when available. If such lodging is in connection with a conference or organized educational activity, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available at the time of booking. If the group rate for lodging in connection with a conference or organized educational activity is not available, the Board member or employee shall use comparable lodging that is: (a) consistent with the Internal Revenue Service rates for reimbursement of lodging as established by IRS Publication 463, or any successor publication; or (b) at a government rate, if offered by a lodging provider.

Non-reimbursable lodging-related expenses include, but are not limited to, costs for an extra person staying in the room, costs related to un-cancelled reservations, in-room pay-per-view



movie rentals or mini-bar service, laundry service, and non-District business related telephone calls. Receipts must accompany all requests for lodging reimbursements.

D. Meals and Incidental Expenses

Subject to the limits set forth below, actual expenses incurred for meals, telephone gratuities, baggage handling, and other incidental expenses will be reimbursed when incurred during authorized travel or in conjunction with an authorized District-business meeting or event. Meal expenses and gratuities should be moderate, taking into account community standards and the prevailing restaurant costs of the area. All reimbursements sought for meals and incidental expenses should be supported by proper receipts.

Unless otherwise approved by the Board of Directors, Board members and employees shall be reimbursed at no more than the per diem rate set forth below. Where justified under the circumstances, reimbursement of actual expenses in an amount greater than the per diem rate may be reimbursed following review of the Board Treasurer and approval by the Board of Directors at a public meeting. Any amount paid or otherwise advanced by the District for meals and incidental expenses in excess of the authorized reimbursement amount shall be returned to the District.

E. Per Diem Advances

Upon request, Board members and eligible employees may claim an advance in an amount up to \$50 per day (the "per diem rate") for meals and incidental expenses associated with District business where an overnight stay is required. Board members and employees claiming a per diem advance must submit itemized receipts for all meals or incidental expenses purchased with the per diem advance. Any unused per diem advance funds shall be returned to the District within thirty (30) days.

F. Unauthorized Expenses

No reimbursement shall be allowed for the following:

1. Personal expenses, including, but not limited to, expenses incurred for in-room pay-per-view movies, laundry service, barbering or salon services, spa services, or non-District business related telephone calls;
2. Entertainment, except when it is a regularly scheduled part of the conference/meeting/event being attended;
3. The purchase of alcoholic beverages (Note: pursuant to the District's Drug and Alcohol Policy, District employees shall not use or be under the influence of alcohol or any non-prescription drugs while on District business);
4. Travel companion expenses, including spouse, friend, partner, or family member expenses when accompanying a Board member or employee on District-related business;
5. Any additional travel, lodging or other expenses incurred as a result of the election of the Board member or employee to travel to an event in advance or stay longer than necessary on personal business;

6. Political or charitable contributions, including without limitation, any portion of a ticket or pass to an event that is treated or recognized by the event sponsor as a charitable contribution.
7. Expenses for which the Board member or employee receives reimbursement from another agency;
8. Non-mileage automobile expenses incurred, including repairs, traffic citations, insurance, or gasoline;
9. Personal losses incurred while on District business (e.g., theft or property destruction); and
10. Any expense which is not covered by this Policy which has not been approved by the Board of Directors before the expense is incurred.

Any questions regarding the propriety of a particular type of expense should be resolved before the expense is incurred.

G. Reporting

All per diem advance expenditures and expense reimbursement requests must be submitted on an expense report form provided by the District's General Manager. Expense reports must document that the expense in question met the requirements of this Policy. Board members and employees should submit their expense reports within 30 days of an expense being incurred, accompanied by itemized receipts documenting each expense. Receipts for gratuities and tolls \$5 and under are not required, but should be provided if available. Inability to provide such documentation in a timely fashion may result in the expense being borne by the Board member or employee. All reported expenses are subject to verification of accuracy and compliance with this Policy.

Pursuant to Government Code Section 53232.3, Board members shall provide a brief report on any conferences, meetings, or events attended at the District's expense at the next regular meeting of the Board of Directors.

**IV. COMPLIANCE WITH LAWS**

Board members and employees should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All documents related to reimbursable District expenditures, including, but not limited to, expense reports, receipts, and written evidence of direct District advances or payments for expenses, are public records subject to disclosure under the Public Records Act.

# GLOSSARY

**Accounting System:** The set of records and procedures which are used to record, classify, and report information on the financial status and operations of an entity.

## **Accrual Basis**

**Accounting:** Under this accounting method, transactions are recognized when they occur, regardless of the timing of related cash receipts and disbursements.

## **Administrative and Clerical:**

An employee group that provides administrative and clerical support.

## **Ad Valorem Taxes:**

(which means “according to its value”) a government tax based on the value of real property as determined by the County Tax Assessor. In the State of California, Proposition 13 limits property tax to 1 percent of the assessed valuation of the property.

**Adjusted Budget:** The adjusted budget

represents the adopted budget including changes made during the fiscal year.

**Adopted Budget:** The official budget as approved by the Board of Directors at the start of each fiscal year.

**Annual Budget:** A budget applicable to a single fiscal year.

**Appropriation:** An authorization by the District’s Board of Directors which permits District staff to incur obligations against and to make expenditures for a specific purpose within a specific time.

**Assessed Valuation:** The estimated value of real and personal property used by the Orange County Assessor as the basis for levying property taxes.

**Assets:** Physical items owned by the District for which a value has been attached.

**Balanced Budget:** A balanced financial budget in which

planned revenues equal expenditures.

## **Bank of New York:**

Bank and Trustee for 2005 Certificate of Participation bonds issued for sewer related projects.

## **Beginning/Ending (Unappropriated) Fund Balance:**

Unencumbered resources available in a fund from the prior/current fiscal year after payment of the prior/current fiscal year’s expenditures. It is essentially the amount of money still available for future purposes.

**Budget Calendar:** The schedule of key dates which the District follows in preparing and adopting the budget.

**Budget Document:** The official financial spending and resource plan submitted by the General Manager, adopted by the Board of Directors, and made available to the public and other interested parties.

**Budget Message:** A written explanation by the General Manager of the proposed budget. The budget message explains principal budget and policy issues and presents an overview of the General Manager's budget recommendations.

**Budget Preparation:** Process by which the annual fiscal spending plan is prepared by District staff for presentation and recommendation to the Board of Directors.

**CalPERS:** An acronym used to denote the California Public Employees Retirement System.

**COLA:** An acronym for Cost-of-Living Adjustment.

**CPI:** A statistical description of price levels provided by the US Department of Labor. The change in this index from year-to-year is used to measure the cost of living and economic inflation.

**Capital Improvement Program:** A financial plan of proposed capital improvement projects with a single

and multiple year plans, setting forth each capital project, the amount to be expended in each year, and the method of financing capital expenditures.

**Capital Projects:** A major construction, acquisition, or renovation activity which adds value to fixed assets or which increases its useful life of one year or more. Capital Projects are \$5,000 or more and can also be called a capital improvement.

**Certificates of Participations (COPs):** A type of debt financing in which certificates are issued which represent an investor's participation in the stream of lease payments paid by the issuer. COPs are secured by the lease payments. Voter approval is not required prior to issuance.

**Contingency:** A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

**Contractual Services:**

Personal services provided to the District from the private sector or other public agencies.

**Debt Service:** Payment of interest and repayment of principal to holders of the District's debt instruments.

**Deficit:** An excess of expenditures/expenses over revenues.

**Department:** A major organization group of the District with overall responsibility of an operation or a group within a function area.

**Encumbrance:** An amount of money committed for the payment of goods and services not yet received or paid for.

**Enterprise Fund:** In governmental accounting, a fund that provides goods or services to the public for a fee that makes the entity self-supporting.

**Expenditures/Expenses:** Expenses are recognized when goods are received, or services rendered.

**Fiscal Year:** A 12-month period to which the annual operating budget applies. MCSD's fiscal year runs from July 1 – June 30.

**Full-Time Equivalent (FTE):** The amount of time a regular, full-time employee normally works in a year. For example, a full-time employee (1 FTE) is budgeted to work 2,080 hours per year, while a .5 FTE is budgeted to work 1,040 hours per year.

**Fund:** An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities.

**Fund Balance:** The amount of financial resources available for use. Generally, this represents the detail of all the annual operating surpluses and deficits since the fund's inception.

**Gann Appropriations Limit:** Article XIII-B of the California State Constitution provides

limits regarding the total amount of appropriations in any fiscal year from tax proceeds.

**General Fund:** The primary fund of the District used to account for all revenues and expenditures of the District not legally restricted as to use. This fund is used to offset the cost of the District's general operations.

**General Obligation Bonds:** Bonds for which the full faith and credit of the insuring government are pledged for payment. Ad valorem property taxes are pledged to pay the bonds. A two-thirds voter approval is required prior to bond issuance.

**Generally Accepted Accounting Principles (GAAP):** Uniform standards for financial accounting and reporting. They govern the form and content of the basic financial statements of an entity.

**GFOA's Recommended Practices:** A listing of the Accounting, Auditing, and Financial Reporting practices

recommended by the Government Finance Officers Association of the United States and Canada.

**Grant:** Contributions, gifts of cash, or other assets from another governmental or private entity to be used or expended for a specific purpose, activity, or facility.

**Improvements:** Buildings, structures, or attachments to land such as sidewalks, trees, drives, drains and sewers.

**Interest:** Revenue derived from the prudent investment of idle cash. The types of investments are controlled by the District's investment policy in accordance with the California Government Code.

**Intergovernmental Services:** Purchases from other governments of those specialized services typically performed by local governments.

**Intergovernmental Revenue:** Revenue received from other governmental

agencies and municipalities.

**Levy:** To impose taxes, special assessments, or service charges for the support of governmental activities.

**Line Item:** The description of a detailed expenditure such as salaries, office supplies, contract services, and other operational costs separately along with the amount budgeted for each specific category.

**Long-Term Debt or Long-Term Liabilities:** Debt borrowed from a source outside the District with a maturity of more than one year after the date of issuance.

**Operating, Office Supplies, and Services:** Expenditures which are ordinarily consumed within a fiscal year. Examples include office and operating supplies, fuel, power, water, gas inventory, or small tools and equipment.

**Operating Budget:** The operating budget is the primary means by which most of the financing of acquisition, spending and service delivery

activities of a government are controlled.

**Other Revenues:** Revenues from sources other than those specifically identified that are immaterial in amount and do not justify reporting as separate line items.

**Other Charges:** Expenditures that do not fit in other categories are immaterial in amount, and do not justify reporting as separate line items.

**Permits:** Revenues earned by the issuance of permits levied in accordance with the benefits conferred by the permit.

**Personnel:** Salaries and benefits paid to the District's employees. Included are items such as special duty pay, insurance, and retirement.

**Personnel Benefits:** Those benefits paid by the District as conditions of employment. Examples include insurance and retirement benefits.

**Property Tax:** A tax levied on real estate and personal property.

**Proposed Budget:** The draft financial budget document detailing the General Manager's recommended spending plan for the next fiscal year. The Proposed Budget is reviewed and modified by the Board of Directors before formal adoption as the Adopted Operating Budget.

**Reimbursement:** Payment of an amount remitted on behalf of another party, department, or fund.

**Reserve:** A term used to indicate that a portion of fund balance is restricted for a specific purpose.

**Resources:** Total dollars available for appropriations including estimated revenues and beginning fund balance.

**Revenue Estimate:** A formal estimate of how much revenue will be earned from specific revenue source for some future period, typically a fiscal year.

**Revenue:** Income received by the District to support sewer and solid waste services. This income may be in the form of property taxes, fees, user charges, grants, and interest.

**Service Charges (Fee):** Charges for specific services rendered.

**Service Description:** A description of the services or functions provided by each department or division.

**Supplemental Roll**

**Property Taxes:** Assessed on property that changes ownership during the year and is based on the difference between new and old assessed values.

**Transmittal Letter:** A general discussion of the budget. The letter contains an explanation of principal budget items and summaries.

**User Fee:** The current annual rate levied by the District on the County tax roll to assess users for the District provided solid waste and sewer service.

MIDWAY CITY SANITARY DISTRICT  
Providing 86 Years of Superior Service!  
1939-2025



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AGENDA ITEM 9D

Date: June 18, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Milo Ebrahimi, P.E., District Engineer

Subject: A RESOLUTION NO. 2024-16 OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY AUTHORIZING AND MAKING FINDINGS FOR CONTINUED EMERGENCY ACTION FOR THE REPAIR, REPLACEMENT, AND LINING OF DAMAGED SEWER LINES, REMOVAL AND REPLACEMENT OF A MANHOLE, AND RELATED STREET REPAIRS IN WEBBER PLACE BETWEEN MANHOLE 2006 AND MANHOLE 2005 AND IN PEMBROOK LANE BETWEEN MANHOLE 2006 AND MANHOLE 2019

**BACKGROUND**

Midway City Sanitary District (District)'s sewer system is aging. Because of the aging of the District's sewer system, there will be a need for immediate attention and remediation in some areas at times.

The City of Westminster (City) discovered a settlement at the intersection of Webber Place and Pembroke Lane in the course of performing a survey for an upcoming Street Improvement Project. The sewer system in this area (Tract No. 1961) was built in the 1950's, and the sewer lines are approximately 70 years old and are not lined. Immediately after the report by the City, District staff started an investigation to see if the damage to the street is related to the public sewer. District asked Empire Pipeline and Equipment to perform emergency CCTV inspection of the sewer mains in Webber Place and Pembroke Lane. After checking the CCTV videos of the sewer lines, the District Engineer observed a broken pipe in Webber Place a few feet north of the manhole at the intersection and cracks in the sewer pipes in Pembroke Lane a few feet east of the manhole, directly under the settlement area at the intersection.

District Staff determined these sewer line segments are at risk of collapse due to their deteriorated condition, which would likely result in a sewer spill and interruption of sewer service in the area. Further subsidence is also possible, creating a potential safety hazard to vehicular traffic at this intersection if the sewer lines are not expeditiously repaired.

In addition, the City was planning to grind and pave Pembroke Lane and Webber Place above the impacted sewers beginning on May 28, 2024, as part of its scheduled Street Improvement Project. Operation of heavy equipment during the Street Improvement Project risks further damage to the sewer lines due to their poor condition, and due to the nature of the City's agreement and type of project funding, the City is not able to postpone or change the date of the project. If the sewer

repairs were to be performed after completion of the City's project, the two streets would need to be completely repaved per City requirements.

Under ordinary circumstances, public works contracts over \$15,000 require the District to follow the public bidding process set forth in the Public Contract Code and the District's Purchasing Policies and Procedures. However, in the event of an emergency, Public Contract Code sections 20806 and 22050 authorize the Board of Directors, by 4/5 vote of its members, to award a contract for a public work over \$15,000 without complying with the public works competitive bidding requirements set forth in the Public Contract Code, or to authorize an employee to do so. The Board has delegated authority to the General Manager to enter into emergency public works contracts pursuant to the District's Purchasing Policies and Procedures, which was adopted by the required 4/5 vote of the Board unanimous vote of the Board on April 4, 2023, pursuant to Resolution No. 2023-09.

Section 10.B.11 of the District's Purchasing Policies and Procedures provides as follows:

In the event of an emergency as defined in Public Contract Code section 1102 as "a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services" or as described in Public Contract Code section 20806 as "work to prepare for national or local defense", the District may enter into a Contract for the construction of a Public Works Project through Negotiated Procurement if the Board of Directors adopts findings by a four-fifths vote of its members declaring that the public interest and necessity demand the immediate expenditure of District funds to safeguard life, health, or property. In the event the Board of Directors is unavailable in an emergency, as defined in this paragraph, the General Manager is authorized to enter into a Contract for the repair or replacement of a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without following the District's procurement procedures set forth herein, including competitive bidding procedures and/or obtaining contracting approval as otherwise normally required. The District shall comply with the requirements set forth in Public Contract Code section 20806 and Public Contract Code sections 22050 et seq., for specified emergencies.

On or about May 9, 2024, pursuant to Sections 3 and 10.B.11 of the District's Purchasing Policy and Procedures, the General Manager executed an Agreement on behalf of the District for Emergency Sewer Repairs with Paulus Engineering, Inc. ("Paulus") for the emergency repair and replacement of 20 linear feet of the damaged sewer mains, removal and replacement of the adjacent manhole, and related improvements to restore the street to its previous condition. Under this Agreement, Paulus agreed to perform the repair work for \$103,231.00, plus the cost of bonds and any additional unanticipated groundwater removal work. Paulus commenced excavation of the area on May 13<sup>th</sup>, but encountered significant groundwater that needs to be removed. On May 14, 2024, the General Manager approved a change order in the amount of \$7,475.00, and Paulus recommenced work on May 15<sup>th</sup>. Paulus has finished the construction work to the satisfaction of the District Engineer.

Since Paulus completed this work, approximately 620 linear feet of the sewer line in Webber Place between Manhole 2006 and Manhole 2005 and in Pembroke Lane between Manhole 2006 and Manhole 2019 will need to be lined to prevent further deterioration and prevent possible collapse. District Staff obtained a proposal from Performance Pipeline Technologies, Inc. to perform the sewer lining portion of the Project and prepared plans, specifications, and a proposed agreement for the Board's consideration.

At its May 21, 2024 meeting, the Board approved Resolution No. 2024-10 by a four-fifths vote of its members (1) finding that there is a continuing need for the emergency repair, replacement, and lining of damaged sewer mains, removal and replacement of a manhole, and related street repairs in Webber Place between Manhole 2006 and Manhole 2005 and in Pembroke Lane between Manhole 2006 and Manhole 2019, which constitutes an unexpected emergency that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property and/or essential sewer services, the emergency will not permit a delay resulting from a competitive solicitation for bids; immediate repairs are necessary to respond to the emergency; and that the public interest and necessity demand immediate expenditures of funds to safeguard life, health or property; (2) ratifying the action regarding the emergency taken by the General Manager; (3) finding a need to continue proceeding with the emergency repair of the damaged sewer main located in Webber Place and Pembroke Lane; (4) ratifying the Agreement for Emergency Sewer Repairs with Paulus Engineering, Inc., dated May 7, 2024, entered into by the General Manager on behalf of the District for the emergency repair of the damaged sewer mains, and the Change Order to said Agreement entered into by the General Manager on May 14, 2024; (5) approving the Agreement for Emergency Sewer Lining Repairs between the District and Performance Pipeline Technologies, Inc. in substantially the same form as presented at the May 21, 2024 meeting and authorizing the General Manager to make minor modifications to the Agreement as needed and to execute the Agreement on behalf of the District; and (6) finding that the Project is statutorily exempt from review under the California Environmental Quality Act (CEQA).

Pursuant to the Board's May 21, 2024 authorization, on May 22, 2024, the General Manager entered into an Agreement for Emergency Sewer Lining with Performance Pipeline Technologies, Inc. for CIPP lining of the subject sewer main segments in the form attached to the Staff Report for the May 21<sup>st</sup> meeting.

At its June 4, 2024 meeting, the Board unanimously approved Resolution No. 2024-12 (1) finding that there is a continuing need for the emergency repair, replacement, and lining of damaged sewer mains, removal and replacement of a manhole, and related street repairs in Webber Place between Manhole 2006 and Manhole 2005 and in Pembroke Lane between Manhole 2006 and Manhole 2019, which constitutes an unexpected emergency that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property and/or essential sewer services, the emergency will not permit a delay resulting from a competitive solicitation for bids; immediate repairs are necessary to respond to the emergency; and that the public interest and necessity demand immediate expenditures of funds to safeguard life, health or property; and (2) finding a need to continue proceeding with the emergency repair of the damaged sewer main located in Webber Place and Pembroke Lane.

## **DISCUSSION**

Public Contract Code Section 22050 requires that the Board review the need to continue any emergency action taken by the Board or the General Manager at every regular meeting until the emergency action is terminated and either adopt a resolution by 4/5 vote finding that there is a need to continue the emergency action or terminate the emergency action and direct that a contract or contracts for further repair work be procured in accordance with standard competitive procurement procedures. Under Section 22050, the Board is required to terminate the action at the earliest possible date that conditions warrant so that the remainder of the emergency action may be completed by giving notice for bids to let contracts.

In this case, immediate action was needed to address the emergency as soon as possible and without undertaking a competitive solicitation for bids in order to restore the integrity of the street for the protection of the public and to prevent and mitigate the potential for a sewer spill and interruption of sewer service due to the collapse of the sewer lines. Sewer line segments including replaced portions by Paulus will need to immediately be lined to prevent soil infiltration into the pipes through the cracks and so that further emergency spot repairs to the pipe due to the age and condition of the pipe will not be needed. The existing sewer pipe is 70 years of age. The rehabilitation of these lines will give an additional 50 years of service. Staff anticipates Performance Pipeline Technologies, Inc. will complete the CIPP lining portion of the Project by June 19, 2024. Therefore, Staff is requesting that the Board find by 4/5 vote that there is a need to continue the emergency action for lining of damaged sewer mains Webber Place between Manhole 2006 and Manhole 2005 and in Pembroke Lane between Manhole 2006 and Manhole 2019. A proposed Resolution with the required findings to continue the emergency action has been prepared for the Board's consideration (Attachment 1).

## **FISCAL IMPACT**

The fiscal impact for this project will be as follows:

1. Repair and replacement of 20 linear feet of damaged sewer lines, removal and replacement of a manhole, groundwater removal, and related street repairs: \$110,706.00.
2. Lining of 620 linear feet of sewer line in Webber Pl between manhole 2006 and manhole 2005 and in Pembroke Ln between manhole 2006 and manhole 2019: \$39,760.00.
3. The cost of surety bonds, required permits, and other reimbursables: \$5,000-\$10,000.

Total fiscal impact is estimated to be approximately \$155,000 to \$160,000 from Sewer Emergency Repairs Account, Account Number 7700.90.

## **STAFF RECOMMENDATION**

Staff recommends that the Board of Director adopt proposed Resolution No. 2024-16 by a 4/5 vote of its members authorizing and making the required findings for continued emergency action for the remaining of the work for the repair and lining of the damaged sewer lines in Webber Place between manhole 2006 and manhole 2005 and in Pembroke Lane between manhole 2006 and manhole 2019.

## **ATTACHMENTS:**

1. Proposed Resolution 2024-16

## RESOLUTION NO. 2024-16

### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY AUTHORIZING AND MAKING FINDINGS FOR CONTINUED EMERGENCY ACTION FOR THE REPAIR, REPLACEMENT, AND LINING OF DAMAGED SEWER LINES, REMOVAL AND REPLACEMENT OF A MANHOLE, AND RELATED STREET REPAIRS IN WEBBER PLACE BETWEEN MANHOLE 2006 AND MANHOLE 2005 AND IN PEMBROOK LANE BETWEEN MANHOLE 2006 AND MANHOLE 2019

The Board of Directors of the Midway City Sanitary District hereby finds, determines, declares, and resolves as follows:

**WHEREAS**, District Staff has advised the Midway City Sanitary District Board of Directors of the need for the emergency repair, replacement, and lining of damaged sewer mains, removal and replacement of a manhole, and related street repairs in Webber Place between Manhole 2006 and Manhole 2005 and in Pembroke Lane between Manhole 2006 and Manhole 2019 (the “Project”), constituting an unexpected emergency that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of health, property and/or essential sewer services; and

**WHEREAS**, pursuant to Public Contract Code sections 20806 and 22050 and Section 10.B.11 of the District’s Purchasing Policy and Procedures, in the event of an emergency, the Board of Directors or the General Manager may award a contract for a public work over \$15,000 without complying with the public works competitive bidding requirements set forth in the Public Contract Code and the District’s Purchasing Policies and Procedures; and

**WHEREAS**, on or about May 9, 2024, pursuant to Sections 3 and 10.B.11 of the District’s Purchasing Policy and Procedures the General Manager entered into an Agreement on behalf of the District for Emergency Sewer Repairs with Paulus Engineering, Inc., dated May 7, 2024, for the emergency repair and replacement of the damaged sewer mains, removal and replacement of a manhole, and related street improvements; and

**WHEREAS**, pursuant to the terms of said Agreement, on May 14, 2024, the General Manager approved a Request for Change Order from Paulus Engineering for additional work to cover pumping groundwater from the excavation and disposing of it at the approved Orange County Sanitation District site; and

**WHEREAS**, the Board reviewed the emergency action and a proposed Agreement for Emergency Sewer Lining Repairs between the District and Performance Pipeline, Technologies, Inc. for CIPP lining of the sewer main segments in Webber Place between Manhole 2006 and Manhole 2005 and in Pembroke Lane between Manhole 2006 and Manhole 2019 at its regular meeting of May 21, 2024 and adopted Resolution No. 2024-10 by a four-fifths vote of its members (1) finding that there is a continuing need for the emergency repair, replacement, and lining of damaged sewer mains, removal and replacement of a manhole, and related street repairs in Webber Place between Manhole 2006 and Manhole 2005 and in Pembroke Lane between Manhole 2006 and Manhole 2019, which constitutes an unexpected emergency that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property and/or essential sewer services, the emergency will not permit a delay resulting from a competitive solicitation for bids; immediate repairs are necessary to respond to the emergency; and that the public interest and necessity demand immediate expenditures of funds to safeguard life, health or property; (2) ratifying the action regarding the emergency taken by the General Manager; (3) finding a need to continue proceeding with the emergency repair of the damaged sewer main located in Webber Place and Pembroke Lane; (4) ratifying the Agreement for Emergency Sewer Repairs with Paulus Engineering, Inc., dated May 7, 2024, entered into by the General Manager on behalf of the District for the emergency repair of the damaged sewer mains, and the Change Order to said Agreement entered into by the General Manager on May 14, 2024; (5) approving the Agreement for Emergency Sewer Lining Repairs between the District and Performance Pipeline Technologies, Inc. in substantially the same form as presented at the May 21, 2024 meeting and authorizing the General Manager to make minor modifications to the Agreement as needed and to execute the Agreement on behalf of the District; and (6) finding that the Project is statutorily exempt from review under the California Environmental Quality Act (CEQA); and

**WHEREAS**, pursuant to the Board's May 21, 2024 authorization, on May 22, 2024, the General Manager entered into an Agreement for Emergency Sewer Lining Repairs between the District and Performance Pipeline Technologies, Inc. for CIPP lining of the sewer main segments in Webber Place between Manhole 2006 and Manhole 2005 and in Pembroke Lane between Manhole 2006 and Manhole 2019; and

**WHEREAS**, the Board reviewed the emergency action at its regular meeting of June 4, 2024 and adopted Resolution No. 2024-12 by a unanimous vote of its members (1) finding that there is a continuing need for the emergency repair, replacement, and lining of damaged sewer mains, removal and replacement of a

manhole, and related street repairs in Webber Place between Manhole 2006 and Manhole 2005 and in Pembroke Lane between Manhole 2006 and Manhole 2019, which constitutes an unexpected emergency that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property and/or essential sewer services, the emergency will not permit a delay resulting from a competitive solicitation for bids; immediate repairs are necessary to respond to the emergency; and that the public interest and necessity demand immediate expenditures of funds to safeguard life, health or property; and finding a need to continue proceeding with the emergency repair of the damaged sewer main located in Webber Place and Pembroke Lane; and

**WHEREAS**, the emergency sewer lining portion of the Project is ongoing but has not yet been completed; and

**WHEREAS**, the Board of Directors further reviewed the emergency action at its regular meeting of June 18, 2024, and received a report from the General Manager and District Engineer indicating a need to continue the Project.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT DOES HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:**

Section 1. The Board finds, based on substantial evidence presented at its meeting of June 18, 2024, that (a) there is a continuing need for the emergency repair, replacement, and lining of damaged sewer mains, removal and replacement of a manhole, and related street repairs in Webber Place between Manhole 2006 and Manhole 2005 and in Pembroke Lane between Manhole 2006 and Manhole 2019, which constitutes an unexpected emergency that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property and/or essential sewer services; (b) the emergency will not permit a delay resulting from a competitive solicitation for bids; (c) immediate repairs are necessary to respond to the emergency; and (d) that the public interest and necessity demand immediate expenditures of funds to safeguard life, health or property.

Section 2. The Board finds a need to continue proceeding with the emergency repair of the damaged sewer main located in Webber Place and Pembroke Lane.

Section 3. This Resolution shall take effect immediately upon adoption.

**PASSED AND ADOPTED**, at a regular meeting of the Board of Directors of Midway City Sanitary District of Orange County, California, held this 18th day of June, 2024.

\_\_\_\_\_  
Mark Nguyen, President

\_\_\_\_\_

\_\_\_\_\_

Andrew Nguyen, Secretary



**CERTIFICATION**

I, Andrew Nguyen, Secretary of the MIDWAY CITY SANITARY DISTRICT of Orange County, California, do hereby certify that the foregoing Resolution No. 2024-16 was duly adopted at a meeting of the Governing Board of said District held on the 18th day of June, 2024 by the following vote of the members of the Board:

AYES:  
NOES:  
ABSENT:

and I further certify that Mark Nguyen, as President, and Andrew Nguyen, as Secretary, signed and approved said Resolution No. 2024-16 on the 18th day of June, 2024.

\_\_\_\_\_  
Andrew Nguyen, Secretary

(District Seal)

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**STATE OF CALIFORNIA        )**  
  **) ss.**  
**COUNTY OF ORANGE        )**

I, Andrew Nguyen, Secretary of the Midway City Sanitary District of Orange County, California, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2024-16 passed and adopted by the Board of Directors of said District at a meeting thereof held on the 18th day of June, 2024.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed my official Seal of said District 18th day of June, 2024.

\_\_\_\_\_  
Andrew Nguyen, Secretary

**From:** [Carolyn Emery](#)  
**Cc:** [Carolyn Emery](#); [Cheryl Carter-Benjamin](#)  
**Subject:** APPOINTMENT PROCESS RESULTS - OC LAFCO SPECIAL DISTRICT REGULAR MEMBER  
**Date:** Wednesday, June 12, 2024 5:48:25 PM  
**Attachments:** [image001.png](#)

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Special District Presiding Officers (c/o District Secretaries/Clerks):

The balloting process of the Orange County Independent Special District Selection Committee for the OC LAFCO Regular Special District Member seat closed on **Monday, June 10, 2024 at 4:00 p.m.** At the closing, OC LAFCO received a total of twenty-two (22) ballots for the Regular Member seat, establishing a quorum for the appointment process. Noted below are the results of the balloting process:

- James R. Fisler, Mesa Water District – received twenty (20) votes.
- Joe Muller, South Coast Water District (***withdrew from process on May 13***) – received two (2) votes.

Therefore, by a majority vote of 20 of the 22 ballots received, James R. Fisler of Mesa Water District was appointed by the Committee to the Special District Regular Member seat. Commissioner Fisler will be officially sworn in for the respective term at the July 10 OC LAFCO Regular meeting.

If you have additional questions on this matter or would like to inspect the ballot material, you may contact the OC LAFCO Executive Officer at (714) 640-5100 or [cemery@oclafco.org](mailto:cemery@oclafco.org).

Regards,  
Carolyn Emery  
Executive Officer  
[cemery@oclafco.org](mailto:cemery@oclafco.org)  
714.640.5100 – Office



***Our offices are closed every other Friday. You may access the agency's annual calendar for office closures and other key events at [www.oclafco.org](http://www.oclafco.org).***

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