

**MIDWAY CITY SANITARY DISTRICT  
REGULAR MEETING  
BOARD OF DIRECTORS  
DISTRICT OFFICE  
14451 CEDARWOOD STREET  
WESTMINSTER, CA**

**Tuesday, January 16, 2024  
5:30 P.M.**

**AGENDA**

**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. APPROVAL OF THE MINUTES**

- A. Approval of the Minutes of the Regular Meeting on December 19, 2023

#### **5. APPROVAL OF EXPENDITURES**

- A. Approval of Demands in the Amount of \$1,876,387.89

#### **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 Westminster Tet Parade Staff meeting on January 3, 2024
- E. Report of Building Project Ad Hoc Committee Meeting on January 2 & 16, 2024
- F. Report of Westminster Community Foundation Tet Gala on January 6, 2023
- G. Report of Radio Outreach Radio Bolsa on January 8, 2024
- H. Report of Radio Outreach VNCR on January 9, 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. Approve and File the Treasurer's Investment Report for December 2023
- B. Approve and File the Engineer Report for December 2023
- C. Approve the January 3, 2024 Outreach Committee Recommendations
- D. Approve 2024 Work Plan for Director of Services and Program Development

#### **8. OLD BUSINESS**

None

#### **9. NEW BUSINESS**

- A. Consider and Approve the Fiscal Year 2022-23 Independent Financial Audit Report for Midway City Sanitary District (July 1, 2022 through June 30, 2023)

B. RESOLUTION 2024-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, REVISING THE POLICIES AND PROCEDURES OF THE BOARD OF DIRECTORS

C. Consider Approval of 12-Month Media Plan

D. Consider Scheduling a Legislative Update Workshop

**10. INFORMATIONAL ITEMS**

A. ISDOC Quarterly Luncheon Meeting – Thursday, January 25, 2024

**11. BOARD CONCERNS/COMMENTS**

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

**13. LEGAL COUNSEL CONCERNS/COMMENTS**

**14. CLOSED SESSION**

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)  
Agency Designated Representatives: General Manager Robert Housley, Director of Finance & Human Resources Siamlu Cox, and Labor Counsel Joseph Larsen, Employee Organization: American Federation of State, County, and Municipal Employees, LOCAL 1734-01

**15. ADJOURNMENT TO TUESDAY, FEBRUARY 6, 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**

**December 19, 2023**

**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, December 19, 2023 at 5:31 P.M.

**BOARD MEMBERS PRESENT:**

Mark Nguyen  
Tyler Diep (arrived @ 5:32)  
Chi Charlie Nguyen  
Andrew Nguyen  
Sergio Contreras (arrived @ 5:34)

**STAFF MEMBERS PRESENT:**

Nicolas Castro, Acting General Manager  
Siamlu Cox, Director of Finance & HR  
Milo Ebrahimi, District Engineer, P.E  
Ashley Davies, Director of Servs. & Program Development  
Cynthia Olsder, Executive/Board Secretary

**OTHER MEMBERS PRESENT:**

James H. Eggart, General Counsel Woodruff & Smart (via audio)  
Joseph Larsen, Labor Counsel Rutan & Tucker, LLP

**PLEDGE AND INVOCATION**

Director A. Nguyen led the Pledge of Allegiance. President M. Nguyen gave the Invocation.

**PUBLIC COMMENTS**

None

**APPROVAL OF THE MINUTES OF THE REGULAR MEETING ON DECEMBER 5, 2023**

A motion was made by Director C. Nguyen, seconded by Director A. Nguyen, to approve the minutes of the Regular Meeting on December 5, 2023. The motion was approved by the following 3-0 vote:

AYES: A. Nguyen, M. Nguyen, C. Nguyen

NAYS:

ABSTAIN:

ABSENT: T. Diep, S. Contreras

Director T. Diep arrived at 5:32 PM.

Director S. Contreras arrived at 5:34 PM

## APPROVAL OF EXPENDITURES

### A. Demands in the amount of \$779,311.09

	CK #	DATE	AMOUNT	VENDOR CHECKS:	MEMO:
1	15155	11/30	16,315.00	AKM Consulting Engineers, Inc.	Sewer System Master Plan 10/02/23 - 10/27/23
2	15156	11/30	4,602.64	Alignment Express of CA, Inc.	Repairs to NG-13
3	15157	11/30	534.76	AT&T (Brookhurst Lift Station)	Brookhurst Nov-2023
4	15158	11/30	970.00	Ayala's Car Wash	Fleet Wash
5	15159	11/30	1,656.49	Betts Truck Parts & Service	NG-1 walking beam   Qwik-Fit Composite Fitting (20)
6	15160	11/30	3,208.42	Bodyworks Equip. Inc.	Air Cylinder (5), Rr Pivot Hose Kit (2), Spring (10), In/Out Cyl. Cushion Kit (3), 2" Cam Follow...
7	15161	11/30	233.00	Cameron Welding Supply	CO2, Compressed (1), Propane (2), Grinding Whl (10)
8	15162	11/30	84.94	City of Westminster Hydrant	Hydrant Water Service Nov-2023
9	15163	11/30	300.00	Country City Towing	Tow service for NG-5
10	15164	11/30	4,436.99	CRC Cloud	Maintenance & Support Dec-2023   Replacement Laptop for GM
11	15165	11/30	3,210.45	Cummins Pacific LLC	Seal, O Ring (50), Spark Plug Kit (12), Ignition Coil Extension (12), Breather Housing (2), Seal...
12	15166	11/30	500.00	Cynthia Loan Olsder	Reimbursement for construction damage
13	15167	11/30	7,814.49	Daniels Tire Service	Recap and Front Tires
14	15168	11/30	43,571.43	Dntech	2024 District Calendar Printing & Mailing
15	15169	11/30	625.90	Frontier Communications	September 2023
16	15170	11/30	835.77	Motion and Flow Control Products, Inc.	Crimp, 1/2" Female
17	15171	11/30	1,833.39	NVB Equipment, Inc.	A/C Repair NG-10
18	15172	11/30	549.58	Plumbers Depot Inc.	Tiger Tail (3), Grit/Debris Catcher and Scoop (1)
19	15173	11/30	33.90	Pre-Paid Legal Services, Inc.	Prepaid legal Nov-2023
20	15174	11/30	2,493.00	Rengel + Company Architects, Inc	Bldg Proj Mgt November-2023
21	15175	11/30	980.00	RMS	Calibration of Gas Detection System
22	15176	11/30	270.34	Safety-Kleen Systems, Inc.	Wash Part Cleaner
23	15177	11/30	146.78	Snap-On Tools	Tools for Shop
24	15178	11/30	2,317.45	Southern California Edison	November 2023
25	15179	11/30	2,368.44	Southwest Sign Company	Building Dedication Plaque
26	15180	11/30	98.02	Spectrum Enterprise (Time Warner Cab	Nov-2023
27	15181	11/30	1,544.24	Standard Insurance Company Life	Dec-2023
28	15182	11/30	5,653.86	TEC Of California, Inc.	Restock relays, rotors, drain valves, brake pads & ignition switches   T Beam Assembly - NG1
29	15183	11/30	1,465.29	Tell Steel	Metal plates (10) Solid Waste trucks
30	15184	11/30	325.83	UniFirst Corporation	November - 2023
31	15185	11/30	1,870.00	VNCR	Radio talk show 17 min (4) 11/21/23 - 12/14/23
32	15186	11/30	402,094.86	Woodcliff Corporation - Contractor	Building Project Pay App #13 Oct 2023
33	15187	11/30	21,162.89	Woodcliff Corporation - Escrow Accoun	Building Project #13 Oct 2023 - Retention Payment
34	15188	12/1	254.48	Pitney Bowes Global Financial Services	Postage Machine 10/10/23 - 01/03/24
35			<b>\$ 534,362.63</b>	<b>ACH TRANSFERS SUBTOTAL</b>	
36					
37				<b>PAYROLL:</b>	<b>MEMO</b>
36		11/29	\$ 98,713.67	Paychex	Employee Payroll - Checks, Taxes, & Direct Deposits
39		11/29	\$ 5,903.16	Nationwide	457 Deferred Compensation (Employees)
38		12/1	\$ 7,657.46	Paychex	Board Payroll - Checks, Taxes, & Direct Deposits
41		12/1	\$ 801.00	Nationwide	457 Deferred Compensation (Board)
42			<b>\$ 113,075.29</b>	<b>PAYROLL SUBTOTAL</b>	
43					

43					
44				<b>ACH PAYMENTS:</b>	<b>MEMO</b>
45	11/29	\$	15,827.34	US Bank Corporate Payment System	District CAL-Card Payments November 2023
46	11/29	\$	19,824.19	CalPERS-Retirement	Earned Period 10/30/23-11/12/23
47	12/1	\$	19,712.46	CalPERS-Retirement	Earned Period 10/30/23-11/12/23
48	12/4	\$	69,635.12	CalPERS - Health Benefits	December 2023
49	12/4	\$	6,874.06	CalPERS - Health Benefits	December 2023
50			<b>\$ 131,873.17</b>	<b>ACH TRANSFERS SUBTOTAL</b>	
51					
52			<b>\$ 779,311.09</b>	<b>TOTAL EXPENDITURES (ACCOUNTS PAYABLE CHECKS, PAYROLL, ACH TRANSFERS)</b>	
53					
54				<b>BANK TRANSFERS:</b>	
55			<b>\$ -</b>	<b>BANK TRANSFERS</b>	

A motion was made by Director C. Nguyen, seconded by Director A. Nguyen, to approve the expenditures in the amount of \$779,311.09. The motion was approved by the following 5-0 vote:

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

NAYS:

ABSTAIN:

ABSENT:

President M. Nguyen requested that the closed session scheduled as Item 14 on the Agenda be moved up. Director T. Diep made a motion, which was seconded by Director A. Nguyen, to move item 14 to before Reports. The motion was approved by the following 5-0 roll call vote.

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

NAYS:

ABSTAIN:

ABSENT:

General Counsel, James Eggart convened the meeting to closed session at 5:37 P.M. pursuant to Government Code Section 54957.6, as identified on the agenda as item 14A, in order for Board to confer with its designated Labor Negotiator representatives. General Counsel J. Eggart noted that the District's designated representatives were identified on the Agenda.

**CLOSED SESSION**

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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A. CONFERENCE WITH LABOR NEGOTIATORS (Government Code Section 54957.6) Agency Designated Representatives: Acting General Manager Nicolas Castro, Director of Finance & HR Siamlu Cox and Labor Counsel Joseph Larsen, Employee Organization: American Federation of State, County, and Municipal Employees, LOCAL 1734-01

President M. Nguyen reconvened the open session portion of the meeting at 6:15 P.M.

General Counsel J. Eggart reported that the Board had met in closed session as identified on Agenda Item 14A, and that no reportable action had been taken.

## **REPORTS**

### **Report of President:**

President M. Nguyen sent Director C. Nguyen his condolences on the passing of his sister.

### **Report of General Manager**

Acting General Manager, N. Castro, reported that the first of the three solid waste trucks has arrived.

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

Director of Services & Program Development A. Davies reported that the 2024 Calendar has been mailed out, that she attended the Westminster City Council meeting to provide information about the District's 2024 events, that all the preparations for the Open House are going smoothly, and that plans are underway for another school outreach event.

### **Report of Outreach Committee Meeting on December 6, 2023**

Director T. Diep and Director C. Nguyen both attended the meeting to discuss the Open House plans and the sponsorship guidelines.

### **Report of Assemblyman Tri Ta Open House on December 7, 2023**

Director C. Nguyen, Director T. Diep, President M. Nguyen, and Director A. Nguyen attended the event with Staff and reported that it was well attended and informative.

### **Report of Outreach Me Vietnam Radio on December 13, 2023**

Director T. Diep and President M. Nguyen attended the radio recording to provide information on SB 1383, the District's services and upcoming events.

### **Report of Outreach VietLink Radio on December 14, 2023**

Director A. Nguyen and Director S. Contreras attended the radio recording to provide information on SB 1383, the District's services and upcoming events.

### **Report of OC San Board of Directors Meeting on December 14, 2023**

Director A. Nguyen reported that OC San's Plan No.1 has been recognized by Cal/OSHA as a Voluntary Protection Program (VPP) STAR Status recipient, which is the highest level an organization can receive.

**Report of District Annual Holiday Dinner on December 17, 2023**

President M. Nguyen, Director S. Contreras, Director C. Nguyen, and Director A. Nguyen attended the event and reported that the event was a success and a great opportunity to recognize some staff for their outstanding customer service.

**Report of Building Project Ad Hoc Committee Meeting on December 19, 2023**

Acting General Manager N. Castro provided an update on the building project and reported that although the outside landscaping may be impacted by the rain in the coming days, overall, the project is proceeding according to schedule.

**CONSENT CALENDAR**

- A. Approve and File the Treasurer’s Investment Report for November 2023
- B. Received and File the June 30, 2023 Actuarial Valuation and GASB 75 report on other Post-Employment Benefits (OPEB) Liabilities of the Midway City Sanitary District for Fiscal Year Ending June 30, 2024
- C. Approve the Engineer Report for December 2023
- D. Approve the December 6, 2023 Outreach Committee Recommendations
- E. Approve General Manager, Robert Housley’s, Request for Leave Starting December 11, 2023 through December 22, 2023, and Approve Acting Pay for Director of Operations/Safety, Nicolas Castro

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

- AYES: A. Nguyen, M. Nguyen, T. Diep, S. Contreras, C. Nguyen
- NAYS:
- ABSTAIN:
- ABSENT:

**OLD BUSINESS**

None

**NEW BUSINESS**

- A. RESOLUTION NO. 2023-21

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, ESTABLISHING UPDATED PROCEDURES FOR THE PAYMENT OF CLAIMS AND DEMANDS.



A staff report and recommendations were provided and considered by the Board. A motion was made by Director C. Nguyen, seconded by Director A. Nguyen, to adopt Resolution No. 2023-21, to direct Staff to include Board review of expenditures as a receive and file item on the Consent Calendar portion of future agendas, and to direct Staff to bring back a resolution to update the Board Policies and Procedures accordingly. The motion was approved by the following 5-0 roll call vote:

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

NAYS:

ABSTAIN:

ABSENT:

- B. Consider Proposals for the 2024 Sewer Mains CCTV Video Inspection and Cleaning Project; Staff's Recommendation that the Board of Directors Authorize the General Manager to Enter into a Professional Services Agreement with Empire Pipe Cleaning and Equipment, Inc. for the Project in an Estimated Amount of \$1,867,691.44; and Approval of a Corresponding Budget Adjustment

A staff report and recommendation were provided and considered by the Board. A motion was made by Director T. Diep, seconded by Director A. Nguyen, (1) authorize the General Manager to enter into and execute a Professional Services Agreement with Empire Pipe Cleaning and Equipment, Inc. for the 2024 MCSD Sewer System CCTV Video Inspection and Cleaning Project pursuant to its Proposal dated December 5, 2023, and in a form substantially similar to the Sample Agreement contained within the Request for Proposals for the Project; (2) authorize staff to thereafter issue Notice to Proceed for the Project; and (3) amend the Fiscal Year 2023/2024 Budget to (a) increase the Sewer System CCTV video Inspection and Cleaning project budget from \$1,200,000 to \$2,054,461; and (b) decrease the Lift Stations & Sewer Lines reserves budget from \$30,315,430 to \$29,460,969. The motion was approved by the following 5-0 vote:

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

NAYS:

ABSTAIN:

ABSENT:

- C. Consider Approval of Sponsorship Solicitation and Sponsorship Levels and Benefits for February 3, 2024 Open House Event

A staff report and recommendations were provided and considered by the Board. A motion was made by Director C. Nguyen, seconded by Director A. Nguyen, to approve and authorize Staff to solicit sponsorships for the February 3, 2024 Open House event and approve the sponsorship levels, sponsor benefits and other details contained in the Sponsorship Package presented at the meeting. The motion was approved by the following 5-0 vote:

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

NAYS:

ABSTAIN:

ABSENT:

**INFORMATIONAL ITEMS**

None

**BOARD CONCERNS/COMMENTS**

Director C. Nguyen expressed that he would like to be informed about the process of having the District recognized.

All the Directors thanked Staff for their hard work this month.

**GM/STAFF CONCERNS/COMMENT**

None

**LEGAL COUNSEL CONCERNS/COMMENTS**

None

**ADJOURNMENT**

President M. Nguyen adjourned the meeting at 6:53 P.M to the next Board Meeting to be held at the District on Tuesday, January 2, 2024, at 5:30 P.M.

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Andrew Nguyen, Secretary

AGENDA ITEM #5A

Date: January 16, 2024  
To: Board of Directors  
From: Robert Housley, General Manager  
Prepared by: Siamlu Cox, Director of Finance and Human Resources  
Subject: Approval of Demands in the Amount of \$1,876,387.89

**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 \$1,876,387.89. 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 approve the attached Register of Demands.

**ATTACHMENTS:**

Disbursement Details for January 16, 2024.

**Midway City Sanitary District**

**Accounts Payable Expenditures, Payments, Payroll, and Transfer(s) Report**

Prepared for Board Meeting held on January 16, 2024

Type	Num	Date	Name	Memo	Paid Amount
<b>Check</b>	<b>15189</b>	<b>12/11/2023</b>	<b>Advanced Workplace Strategies, Inc.</b>	<b>Cust # 1973</b>	
Bill	594927	10/28/2023		Annual Renewal Fee for FMCSA Consortium Member	360.00
				<b>TOTAL</b>	<b>360.00</b>
<b>Check</b>	<b>15190</b>	<b>12/11/2023</b>	<b>Akeso Occupational Health</b>	<b>PO# 14723</b>	
Bill	EM001528	11/16/2023		Physical - DOT Griffith, R	100.00
				<b>TOTAL</b>	<b>100.00</b>
<b>Check</b>	<b>15191</b>	<b>12/11/2023</b>	<b>Ayala's Car Wash</b>		
Bill	2113	12/05/2023		Fleet Wash (2) 12/05/2023	80.00
				Fleet Wash (5) 12/05/2023	200.00
Bill	2114	12/06/2023		Fleet Wash (3)	100.00
				Fleet Wash (2)	60.00
				Fleet Wash (3)	90.00
				Fleet Wash (4)	120.00
Bill	2093	12/06/2023		Cynthia's Carwash/Polish 10/31/23	50.00
				<b>TOTAL</b>	<b>700.00</b>
<b>Check</b>	<b>15192</b>	<b>12/11/2023</b>	<b>Betts Truck Parts &amp; Service</b>	<b>PO # 30923</b>	
Bill	05P14158	12/04/2023		NG-1 T-beam arm assembly	855.69
				<b>TOTAL</b>	<b>855.69</b>
<b>Check</b>	<b>15193</b>	<b>12/11/2023</b>	<b>Bodyworks Equip. Inc.</b>		
Bill	45863	12/05/2023		Control Box Harness (1)	581.88
Bill	45870	12/06/2023		Inner Arm (5), Spring (10), Main relief (2)	1,481.00
Bill	45882	12/07/2023		Grabber Drive Gear (2), Idler Gear (2), 2" Bearing (7)	3,103.37
Bill	45884	12/07/2023		60/90 gal. Grabber Arm (2) for NG-8	2,154.21
				<b>TOTAL</b>	<b>7,320.46</b>
<b>Check</b>	<b>15194</b>	<b>12/11/2023</b>	<b>CliftonLarsonAllen, LLP</b>		
Bill	3903849	09/30/2023		Financial Stmt Audit FYE 06/30/2023 Progress Billing	2,100.00
Bill	3988201	11/29/2023		Financial Stmt Audit FYE 06/30/2023 Progress Billing	525.00
				<b>TOTAL</b>	<b>2,625.00</b>
<b>Check</b>	<b>15195</b>	<b>12/11/2023</b>	<b>Costco Wholesale</b>	<b>Membership Renewal for 2024</b>	
Bill	690268662	12/01/2023		2024 Annual Membership	120.00
				<b>TOTAL</b>	<b>120.00</b>
<b>Check</b>	<b>15196</b>	<b>12/11/2023</b>	<b>Daniels Tire Service</b>	<b>Cust # 2002338 Ref # 8653454</b>	
Bill	200491185	12/06/2023		Recap Tires (15)	3,737.90
				<b>TOTAL</b>	<b>3,737.90</b>
<b>Check</b>	<b>15197</b>	<b>12/11/2023</b>	<b>Dtntech</b>		
Bill	18255	12/05/2023		Christmas Recycling Yard Signs (50)	666.09
Bill	18273	12/08/2023		Car Magnets (10)	304.50
				<b>TOTAL</b>	<b>970.59</b>
<b>Check</b>	<b>15198</b>	<b>12/11/2023</b>	<b>Haaker Equipment Co.</b>	<b>Customer # 129</b>	
Bill	W1A61B	11/27/2023		Repairs to NG-12 Vactor Truck	2,690.48
				<b>TOTAL</b>	<b>2,690.48</b>
<b>Check</b>	<b>15199</b>	<b>12/11/2023</b>	<b>Hydraulic Solutions And Supplies</b>		
Bill	125859	12/05/2023		Rebuild hydraulic gear pump for NG-5	1,040.12
				<b>TOTAL</b>	<b>1,040.12</b>
<b>Check</b>	<b>15200</b>	<b>12/11/2023</b>	<b>MacLeod Watts Inc.</b>	<b>Customer # 331</b>	
Bill	120423MCSD	12/04/2023		GASB 75 Actuarial Update Report June 30 2023	7,400.00
				<b>TOTAL</b>	<b>7,400.00</b>
<b>Check</b>	<b>15201</b>	<b>12/11/2023</b>	<b>Me Viet Nam Productions</b>	<b>OCTOBER-2023</b>	
Bill	Dec-45 Oct	10/30/2023		Talk Show 15 minute (4) 10/14/23 - 10/22/23	2,000.00
				<b>TOTAL</b>	<b>2,000.00</b>
<b>Check</b>	<b>15202</b>	<b>12/11/2023</b>	<b>PumpMan</b>	<b>SRO0003180</b>	
Bill	801739	10/31/2023		Lift Stations Maintenance 10-12/2023	11,536.00
				<b>TOTAL</b>	<b>11,536.00</b>
<b>Check</b>	<b>15203</b>	<b>12/11/2023</b>	<b>Sang Luu</b>	<b>Reimbursement - Tire Damage from Construction</b>	
Bill	32487	12/06/2023		Reimbursement - Tire Damage from Construction	274.44
				<b>TOTAL</b>	<b>274.44</b>
<b>Check</b>	<b>15204</b>	<b>12/11/2023</b>	<b>Snap-On Tools</b>	<b>PO # 30926</b>	
Bill	12062384491	12/06/2023		Tools for Shop	556.53
				<b>TOTAL</b>	<b>556.53</b>
<b>Check</b>	<b>15205</b>	<b>12/11/2023</b>	<b>Staples Business Credit</b>	<b>Acct # 10181543LA</b>	
Bill	1652443490	11/25/2023		Office Supplies Nov-2023	134.89
				<b>TOTAL</b>	<b>134.89</b>

**Midway City Sanitary District**

**Accounts Payable Expenditures, Payments, Payroll, and Transfer(s) Report**

Prepared for Board Meeting held on January 16, 2024

Type	Num	Date	Name	Memo	Paid Amount
<b>Check</b>	<b>15206</b>	<b>12/11/2023</b>	<b>SWRCB</b>	<b>FY 07/01/23-06/30/24</b>	
Bill	WD-0234702	11/29/2023		Annual Permit Fees for 07/01/23-06/30/24	20,085.00
				<b>TOTAL</b>	<b>20,085.00</b>
<b>Check</b>	<b>15207</b>	<b>12/11/2023</b>	<b>UniFirst Corporation</b>		
Bill	2190092300	12/01/2023		December - 2023	179.52
Bill	2190092301	12/01/2023		December - 2023	69.68
Bill	2190092302	12/01/2023		December - 2023	62.54
Bill	2190092303	12/01/2023		December - 2023	14.09
Bill	2190095477	12/08/2023		December - 2023	179.52
Bill	2190095478	12/08/2023		December - 2023	69.68
Bill	2190095479	12/08/2023		December - 2023	62.54
Bill	2190095480	12/08/2023		December - 2023	14.09
				<b>TOTAL</b>	<b>651.66</b>
<b>Check</b>	<b>15208</b>	<b>12/11/2023</b>	<b>Wespac Security Services, Inc.</b>		
Bill	L6B-0173-F OCT - DEC	11/17/2023		Fire alarm monitoring 10/23 - 12/23	255.00
Bill	L6B-0175-G OCT - DEC	11/17/2023		Gas leak alarm monitoring 10/23 - 12/23	249.00
				<b>TOTAL</b>	<b>504.00</b>
<b>Check</b>	<b>15209</b>	<b>12/11/2023</b>	<b>Woodcliff Corporation - Contractor</b>	<b>Project No: 202041</b>	
Bill	Solar #02 112023	12/06/2023		Solar Project Pay App #2 11/2023	221,902.96
				<b>TOTAL</b>	<b>221,902.96</b>
<b>Check</b>	<b>15210</b>	<b>12/11/2023</b>	<b>Woodcliff Corporation - Escrow Account</b>	<b>Account No. 3586554618</b>	
Bill	112023 3586554618	12/06/2023		Solar Project #2 November 2023 - Retention Paymen	11,679.10
				<b>TOTAL</b>	<b>11,679.10</b>
<b>Check</b>	<b>15211</b>	<b>12/11/2023</b>	<b>Woodruff &amp; Smart</b>	<b>ID: 2003-JHE</b>	
Bill	75066	11/30/2023		Legal Services Nov-2023	14,198.20
				<b>TOTAL</b>	<b>14,198.20</b>
<b>Check</b>	<b>15212</b>	<b>12/13/2023</b>	<b>Juan Arvizu Jr.</b>	<b>Payroll 2023_12_13</b>	
Bill	20231213	12/13/2023		Payroll 2023_12_13 Savings Transactions	400.00
				<b>TOTAL</b>	<b>400.00</b>
<b>Check</b>	<b>15213</b>	<b>12/15/2023</b>	<b>AKM Consulting Engineers, Inc.</b>	<b>Project No. 2351831.00</b>	
Bill	0012551	12/12/2023		Sewer System Master Plan 10/31/23 - 12/01/23	26,418.50
				<b>TOTAL</b>	<b>26,418.50</b>
<b>Check</b>	<b>15214</b>	<b>12/15/2023</b>	<b>AT&amp;T Mobility (First Net)</b>	<b>Acct # 287291683611</b>	
Bill	287291683611X121023	12/02/2023		November 2023	390.89
				November 2023	137.01
				November 2023	91.34
				<b>TOTAL</b>	<b>619.24</b>
<b>Check</b>	<b>15215</b>	<b>12/15/2023</b>	<b>Ayala's Car Wash</b>	<b>Fleet Wash 12/12/2023</b>	
Bill	2115	12/12/2023		Fleet Wash (9)	360.00
				<b>TOTAL</b>	<b>360.00</b>
<b>Check</b>	<b>15216</b>	<b>12/15/2023</b>	<b>Benson Minh Tran</b>	<b>Board of Directors Head Shots</b>	
Bill	12/12/2023	12/12/2023		Board of Directors Head Shots	500.00
				<b>TOTAL</b>	<b>500.00</b>
<b>Check</b>	<b>15217</b>	<b>12/15/2023</b>	<b>Cummins Pacific LLC</b>	<b>PO# 30934</b>	
Bill	X5-26964	12/11/2023		Housing, Breather (1) for NG-14	1,005.80
				<b>TOTAL</b>	<b>1,005.80</b>
<b>Check</b>	<b>15218</b>	<b>12/15/2023</b>	<b>Daniels Tire Service</b>	<b>Cust # 2002338 Ref # 866661</b>	
Bill	200491639	12/13/2023		Recap Tires (4)	990.57
				<b>TOTAL</b>	<b>990.57</b>
<b>Check</b>	<b>15219</b>	<b>12/15/2023</b>	<b>Dtntech</b>	<b>Open House Mailers</b>	
Bill	18294	12/14/2023		Open House Mailers	12,934.87
				<b>TOTAL</b>	<b>12,934.87</b>
<b>Check</b>	<b>15220</b>	<b>12/15/2023</b>	<b>Golden Bell Products</b>	<b>Sales Order# 22118</b>	
Bill	18551	11/30/2023		Cockroach Treatment Project	33,166.00
				<b>TOTAL</b>	<b>33,166.00</b>
<b>Check</b>	<b>15221</b>	<b>12/15/2023</b>	<b>Martin Santos Valdes</b>	<b>Annual Holiday Photobooth</b>	
Bill	12/11/2023	12/11/2023		Annual Holiday Photobooth	390.00
				<b>TOTAL</b>	<b>390.00</b>
<b>Check</b>	<b>15222</b>	<b>12/15/2023</b>	<b>Merchants Building Maintenance, LLC</b>	<b>Cust # 33114</b>	
Bill	773526	12/01/2023		Janitorial Services December-2023	828.36
				<b>TOTAL</b>	<b>828.36</b>
<b>Check</b>	<b>15223</b>	<b>12/15/2023</b>	<b>NVB Equipment, Inc.</b>		

**Midway City Sanitary District**

**Accounts Payable Expenditures, Payments, Payroll, and Transfer(s) Report  
Prepared for Board Meeting held on January 16, 2024**

Type	Num	Date	Name	Memo	Paid Amount
Bill	SQ14655	12/02/2023		A/C Repair NG-15	2,136.37
Bill	SQ14866	12/11/2023		A/C Repair NG-8	1,023.65
				<b>TOTAL</b>	<b>3,160.02</b>
<b>Check</b>	<b>15224</b>	<b>12/15/2023</b>	<b>Orange County Sanitation District</b>	<b>MCSO Nov Permit Fees 2023</b>	
Bill	Permit Fees Nov-2023	11/30/2023		Permit Fees Nov-2023	18,302.59
				<b>TOTAL</b>	<b>18,302.59</b>
<b>Check</b>	<b>15225</b>	<b>12/15/2023</b>	<b>Plumbers Depot Inc.</b>	<b>SO No. 51173 PO No. Nick</b>	
Bill	PD-55181	12/15/2023		Screen (2), Vactor, Strainer (2), Y Strainer (2) for NG	343.44
				<b>TOTAL</b>	<b>343.44</b>
<b>Check</b>	<b>15226</b>	<b>12/15/2023</b>	<b>PumpMan</b>	<b>SRO0003686</b>	
Bill	802013	12/12/2023		Repair & Diagnostic of pump #2 at Brookhurst Pump S	700.00
				<b>TOTAL</b>	<b>700.00</b>
<b>Check</b>	<b>15227</b>	<b>12/15/2023</b>	<b>SDRMA - Claims</b>	<b>Claim # PD2223009301-0001 Ref# C00377</b>	
Bill	PD2223009301-0001	12/12/2023		Claim Deductible 02/15/2023	500.00
				<b>TOTAL</b>	<b>500.00</b>
<b>Check</b>	<b>15228</b>	<b>12/15/2023</b>	<b>SDRMA - Employee Benefits</b>	<b>Member # 7732</b>	
Bill	H44070	01/01/2024		Jan - 2024	659.20
				Jan - 2024	1,549.75
				Jan - 2024	813.70
				Jan - 2024	527.36
				Jan - 2024	453.41
				Jan - 2024	123.10
				Jan - 2024	243.39
				Jan - 2024	97.42
				Jan - 2024	98.48
				Jan - 2024	48.71
				<b>TOTAL</b>	<b>4,614.52</b>
<b>Check</b>	<b>15229</b>	<b>12/15/2023</b>	<b>SoCalGas</b>		
Bill	02176046106 1123	11/16/2023		CNG Station Nov-2023 (11,637)	2,433.03
Bill	19380926006 12112023	12/11/2023		Maint. Shop & Wash Rack - Dec 2023	53.71
				<b>TOTAL</b>	<b>2,486.74</b>
<b>Check</b>	<b>15230</b>	<b>12/15/2023</b>	<b>Spectrum Enterprise (Time Warner Cable)</b>	<b>Acct # 8448 40 013 0973949</b>	
Bill	0973949120923	12/09/2023		Dec-2023	1,349.00
				<b>TOTAL</b>	<b>1,349.00</b>
<b>Check</b>	<b>15231</b>	<b>12/15/2023</b>	<b>UniFirst Corporation</b>		
Bill	2190099122	12/15/2023		December - 2023	179.52
Bill	2190099123	12/15/2023		December - 2023	69.68
Bill	2190099124	12/15/2023		December - 2023	62.54
Bill	2190099125	12/15/2023		December - 2023	14.09
				<b>TOTAL</b>	<b>325.83</b>
<b>Check</b>	<b>15232</b>	<b>12/22/2023</b>	<b>Advanced Office</b>	<b>Acct # Fi09-1 SO# SO272581</b>	
Bill	AR1211062-1	12/18/2023		Ricoh copier toner (5)	1,063.79
				<b>TOTAL</b>	<b>1,063.79</b>
<b>Check</b>	<b>15233</b>	<b>12/22/2023</b>	<b>AT&amp;T (Brookhurst Lift Station)</b>	<b>Acct # 115 1</b>	
Bill	12/23	12/13/2023		Brookhurst Dec-2023	533.38
				<b>TOTAL</b>	<b>533.38</b>
<b>Check</b>	<b>15234</b>	<b>12/22/2023</b>	<b>Ayala's Car Wash</b>	<b>Fleet Wash 12/18/2023</b>	
Bill	2116	12/18/2023		Fleet Wash (2) 12/18/2023	80.00
				Fleet Wash (5) 12/18/2023	200.00
				<b>TOTAL</b>	<b>280.00</b>
<b>Check</b>	<b>15235</b>	<b>12/22/2023</b>	<b>Be Safe Fire Protection</b>	<b>Cust # 11716</b>	
Bill	121223	12/12/2023		Performed annual maintenance	367.00
				<b>TOTAL</b>	<b>367.00</b>
<b>Check</b>	<b>15236</b>	<b>12/22/2023</b>	<b>Bodyworks Equip. Inc.</b>		
Bill	45940	12/15/2023		30 MM Sourcing Switch (5), 18 MM Sourcing Prox Sw	1,834.46
Bill	45946	12/18/2023		Dir. Control Valve (1), Coil (2)	1,209.96
				<b>TOTAL</b>	<b>3,044.42</b>
<b>Check</b>	<b>15237</b>	<b>12/22/2023</b>	<b>Cameron Welding Supply</b>	<b>PO# 30943</b>	
Bill	1604525-00	12/15/2023		CO2, Compressed (1), Oxygen, Compressed (1), Pro	537.66
				<b>TOTAL</b>	<b>537.66</b>
<b>Check</b>	<b>15238</b>	<b>12/22/2023</b>	<b>City of Westminster</b>	<b>TET PARADE - Sponsorship for 2024 Tet Parade</b>	
Bill	2024 Tet Parade	12/20/2023		TET Event Sponsorship 2024	5,000.00

**Midway City Sanitary District**

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Prepared for Board Meeting held on January 16, 2024**

Type	Num	Date	Name	Memo	Paid Amount
				<b>TOTAL</b>	5,000.00
<b>Check</b>	<b>15239</b>	<b>12/22/2023</b>	<b>City of Westminster-Water Billing</b>		
Bill	541-0702-01 113023	11/30/2023		Wash Rack 10/9/23 - 11/29/23	94.20
Bill	541-0698-00 11302023	11/30/2023		District offices 10/09/23 - 11/29/23	76.98
				<b>TOTAL</b>	<u>171.18</u>
<b>Check</b>	<b>15240</b>	<b>12/22/2023</b>	<b>City of Westminster Hydrant</b>	<b>Acct #013-0012-00 Customer #045973</b>	
Bill	04872 12/15/23	12/15/2023		Hydrant Water Service Dec-2023	84.94
				<b>TOTAL</b>	<u>84.94</u>
<b>Check</b>	<b>15241</b>	<b>12/22/2023</b>	<b>Country City Towing</b>		
Bill	0131875	12/18/2023		Tow service for G-2	500.00
				<b>TOTAL</b>	<u>500.00</u>
<b>Check</b>	<b>15242</b>	<b>12/22/2023</b>	<b>Grainger</b>	<b>Acct # 814369849 PO#</b>	
Bill	9922948824	12/04/2023		Axial Fan, Round (1) for lift station	424.60
				<b>TOTAL</b>	<u>424.60</u>
<b>Check</b>	<b>15243</b>	<b>12/22/2023</b>	<b>Hillco Fastener Warehouse Inc.</b>	<b>Order No. 01377038</b>	
Bill	5371335	12/15/2023		Bolts (10) Locknuts (120) Washers (325) Weatherpack	36.41
				<b>TOTAL</b>	<u>36.41</u>
<b>Check</b>	<b>15244</b>	<b>12/22/2023</b>	<b>Hydraulic Solutions And Supplies</b>		
Bill	126008	12/19/2023		Heil cylinders (5)	2,341.34
				<b>TOTAL</b>	<u>2,341.34</u>
<b>Check</b>	<b>15245</b>	<b>12/22/2023</b>	<b>Pitney Bowes/Purchase Power</b>	<b>Acct # 80000-90000-0933-5138</b>	
Bill	80009000093351381223	12/10/2023		Postage November-2023	242.66
				<b>TOTAL</b>	<u>242.66</u>
<b>Check</b>	<b>15246</b>	<b>12/22/2023</b>	<b>Rutan &amp; Tucker, LLP</b>	<b>Account # 014843-0001</b>	
Bill	979427	11/30/2023		Legal Services Nov-2023	1,978.90
				<b>TOTAL</b>	<u>1,978.90</u>
<b>Check</b>	<b>15247</b>	<b>12/22/2023</b>	<b>Safety-Kleen Systems, Inc.</b>	<b>Customer# MI47237</b>	
Bill	93446525	12/15/2023		Anti-freeze	514.63
				<b>TOTAL</b>	<u>514.63</u>
<b>Check</b>	<b>15248</b>	<b>12/22/2023</b>	<b>Sign Design</b>	<b>MCSD</b>	
Bill	83903	12/18/2023		District logo vehicle decals (9)	318.41
				<b>TOTAL</b>	<u>318.41</u>
<b>Check</b>	<b>15249</b>	<b>12/22/2023</b>	<b>Snap-On Tools</b>	<b>PO # 30938</b>	
Bill	12132384744	12/13/2023		Dual sided Flex light - Green	202.82
				<b>TOTAL</b>	<u>202.82</u>
<b>Check</b>	<b>15250</b>	<b>12/22/2023</b>	<b>TEC of California, Inc. - Trucks</b>	<b>2024 MACK LR64E</b>	
Bill	MX4917	12/19/2023		Mack Truck Side Loader 2024 Vin	449,340.20
				<b>TOTAL</b>	<u>449,340.20</u>
<b>Check</b>	<b>15251</b>	<b>12/22/2023</b>	<b>UniFirst Corporation</b>		
Bill	2190102196	12/22/2023		December - 2023	179.52
Bill	2190102197	12/22/2023		December - 2023	69.68
Bill	2190102198	12/22/2023		December - 2023	62.54
Bill	2190102199	12/22/2023		December - 2023	14.09
				<b>TOTAL</b>	<u>325.83</u>
<b>Check</b>	<b>15252</b>	<b>12/29/2023</b>	<b>Commerford Inspection, Inc.</b>	<b>Inspection</b>	
Bill	23397	12/24/2023		New Concrete Inspection 12/05/2023	400.00
				Testing: 5 Concrete Samples	150.00
				<b>TOTAL</b>	<u>550.00</u>
<b>Check</b>	<b>15253</b>	<b>12/29/2023</b>	<b>CRC Cloud</b>	<b>MCSD</b>	
Bill	2102808	01/01/2024		Maintenance & Support Jan-2024	2,092.00
				<b>TOTAL</b>	<u>2,092.00</u>
<b>Check</b>	<b>15254</b>	<b>12/29/2023</b>	<b>Frontier Communications</b>	<b>Acct # 209-188-5155-071808-5</b>	
Bill	MCSD 12/19/2023	12/19/2023		Willow Dec - 2023	175.35
				Westminster Dec - 2023	175.35
				Hammon Dec - 2023	175.35
				District Offices Dec - 2023	99.76
				<b>TOTAL</b>	<u>625.81</u>
<b>Check</b>	<b>15255</b>	<b>12/29/2023</b>	<b>Pre-Paid Legal Services, Inc.</b>	<b>Group #155124</b>	
Bill	155124 122523	12/25/2023		Prepaid Legal Dec-2023	33.90
				<b>TOTAL</b>	<u>33.90</u>
<b>Check</b>	<b>15256</b>	<b>12/29/2023</b>	<b>Safety-Kleen Systems, Inc.</b>	<b>Customer# MI47237</b>	
Bill	93495104	12/21/2023		Hydraulic Oil (93 gallons), 15W-40 NGP (64 gallons)	2,762.35

**Midway City Sanitary District**

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Prepared for Board Meeting held on January 16, 2024**

Type	Num	Date	Name	Memo	Paid Amount
				<b>TOTAL</b>	2,762.35
<b>Check</b>	<b>15257</b>	<b>12/29/2023</b>	<b>Snap-On Tools</b>	<b>PO # 30949</b>	
Bill	12202384953	12/20/2023		7pc Std Hx met Dr Set (6-19MM)	338.48
				<b>TOTAL</b>	338.48
<b>Check</b>	<b>15258</b>	<b>12/29/2023</b>	<b>Southern California Edison</b>	<b>Acct # 700472251517</b>	
Bill	700472251517 121923	12/19/2023		Willow Dec-2023	289.84
				Brookhurst Dec-2023	142.70
				Hammon Dec-2023	733.32
				Westminster Dec-2023	860.98
				Cedarwood Dec-2023	7,150.24
				Cedarwood Nov-2023	6,324.90
				Cedarwood Oct-2023	7,217.22
				<b>TOTAL</b>	22,719.20
<b>Check</b>	<b>15259</b>	<b>12/29/2023</b>	<b>Spectrum Enterprise (Time Warner Cable)</b>	<b>Acct # 8448 40 013 0973956</b>	
Bill	0973956121723	12/17/2023		Dec-2023	98.02
				<b>TOTAL</b>	98.02
<b>Check</b>	<b>15260</b>	<b>12/29/2023</b>	<b>Standard Insurance Company Life</b>	<b>Policy # 00 141873 0003</b>	
Bill	001417830003 01/2024	01/01/2024		Jan - 2024	590.24
				Jan - 2024	193.52
				Jan - 2024	238.96
				Jan - 2024	438.96
				Jan - 2024	96.00
				Member Adjustments	16.24
				<b>TOTAL</b>	1,573.92
<b>Check</b>	<b>15261</b>	<b>12/29/2023</b>	<b>WEX Health Inc - Reserve Account</b>	<b>Reserve Funds Customer ID 45927</b>	
Bill	HRA 01/24-06/24	12/29/2023		Reserve Funds for HRA 01/24 - 06/24	21,000.00
				<b>TOTAL</b>	21,000.00
<b>Check</b>	<b>15262</b>	<b>01/05/2024</b>	<b>Advanced Workplace Strategies, Inc.</b>	<b>Cust #1973</b>	
Bill	602233	12/26/2023		DOT Random Test Enrollment (8)	465.00
				<b>TOTAL</b>	465.00
<b>Check</b>	<b>15263</b>	<b>01/05/2024</b>	<b>Ayala's Car Wash</b>		
Bill	1557	12/26/2023		Fleet Wash (9) 12/26/23	360.00
Bill	2119	12/27/2023		Fleet wash (2) 12/27/23	60.00
				Fleet Wash (2) 12/27/23	60.00
				Fleet Wash (3) 12/27/23	90.00
				Fleet Wash (2) 12/27/23	60.00
				<b>TOTAL</b>	630.00
<b>Check</b>	<b>15264</b>	<b>01/05/2024</b>	<b>Betts Truck Parts &amp; Service</b>	<b>PO # 30950</b>	
Bill	05P14741	12/26/2023		Qwik-Fit Composite Fitting (13), T-Beam Assy. (2)	1,882.20
				<b>TOTAL</b>	1,882.20
<b>Check</b>	<b>15265</b>	<b>01/05/2024</b>	<b>Cameron Welding Supply</b>	<b>PO# 30923</b>	
Bill	1605468-00	12/21/2023		Propane (2), Grinding Wheel (25)	205.98
				<b>TOTAL</b>	205.98
<b>Check</b>	<b>15266</b>	<b>01/05/2024</b>	<b>Commerford Inspection, Inc.</b>	<b>Inspection</b>	
Bill	23415	12/31/2023		New Concrete Inspection 12/28/2023	400.00
				Testing: 5 Concrete Samples	150.00
				<b>TOTAL</b>	550.00
<b>Check</b>	<b>15267</b>	<b>01/05/2024</b>	<b>Cummins Pacific LLC</b>		
Bill	X4-45018	12/26/2023		Engine Repairs to NG-6	1,977.68
Bill	X4-45017	12/26/2023		Engine Repairs to NG-14	643.75
				<b>TOTAL</b>	2,621.43
<b>Check</b>	<b>15268</b>	<b>01/05/2024</b>	<b>Daniels Tire Service</b>	<b>Cust # 2002338 Ref # 869886</b>	
Bill	200492893	12/26/2023		Recap Tires (10)	2,390.76
				<b>TOTAL</b>	2,390.76
<b>Check</b>	<b>15269</b>	<b>01/05/2024</b>	<b>Dartco Transmission Sales &amp; Srvs.</b>	<b>Customer # 0343701 PO# 30954</b>	
Bill	C271956	12/28/2023		Filter Kit (12)	1,063.50
				<b>TOTAL</b>	1,063.50
<b>Check</b>	<b>15270</b>	<b>01/05/2024</b>	<b>Frog Environmental</b>	<b>WDID: 8 30i005637</b>	
Bill	INV-017424	01/01/2024		IGP Storm Water Monitoring 01/01/2024 - 06/30/2024	1,260.00
				<b>TOTAL</b>	1,260.00
<b>Check</b>	<b>15271</b>	<b>01/05/2024</b>	<b>Hillco Fastener Warehouse Inc.</b>		
Bill	5371647	12/27/2023		Locknut (100), 3/4 SAE Flat Washer (30), 1/2 USS HD	101.48



**Midway City Sanitary District**

**Accounts Payable Expenditures, Payments, Payroll, and Transfer(s) Report  
Prepared for Board Meeting held on January 16, 2024**

Type	Num	Date	Name	Memo	Paid Amount
Bill	5371820	12/29/2023		3/16x2 Cotter Pin (50), 1/4x2 Cotter Pin (25)	11.90
				<b>TOTAL</b>	<b>113.38</b>
<b>Check</b>	<b>15272</b>	<b>01/05/2024</b>	<b>Orange County Sanitation District</b>	<b>MCS D Dec Permit Fees 2023</b>	
Bill	Permit Fees Dec-2023	12/31/2023		Permit Fees Dec-2023	30,768.78
				<b>TOTAL</b>	<b>30,768.78</b>
<b>Check</b>	<b>15273</b>	<b>01/05/2024</b>	<b>Radio Bolsa Corp.</b>	<b>BS 2023_2027d</b>	
Bill	4188	11/01/2023		Radio talk shows (6) 20Min Recorded 11/02/23	2,000.00
				<b>TOTAL</b>	<b>2,000.00</b>
<b>Check</b>	<b>15274</b>	<b>01/05/2024</b>	<b>Raycom</b>	<b>Cust # C11374</b>	
Bill	116003860-1	01/03/2024		2-Way radio C3B10551 for NG-19	732.31
				2-Way radio C3B10552 for NG-20	732.31
				2-Way radio C3B10553 for NG-21	732.30
				<b>TOTAL</b>	<b>2,196.92</b>
<b>Check</b>	<b>15275</b>	<b>01/05/2024</b>	<b>SoCal Arborists</b>	<b>MCS D Tree Service</b>	
Bill	01162	01/02/2024		MCS D landscaping - Trees trimmed	1,000.00
				<b>TOTAL</b>	<b>1,000.00</b>
<b>Check</b>	<b>15276</b>	<b>01/05/2024</b>	<b>Staples Business Credit</b>	<b>Acct # 10181543LA</b>	
Bill	1653024211	12/25/2023		Office Supplies Dec-2023	252.06
				<b>TOTAL</b>	<b>252.06</b>
<b>Check</b>	<b>15277</b>	<b>01/05/2024</b>	<b>TEC Of California, Inc.</b>		
Bill	1420481L	12/04/2023		Disc pad Ad (5)	717.08
Bill	1420873L	12/05/2023		Sensor-COO (5)	910.76
Bill	1422559L	12/15/2023	TEC Of California, Inc.		0.00
Bill	1422654L	12/15/2023		Lube Filter (5), Fuel Filter (4), Air Filter (15)	941.68
Bill	1423582L	12/22/2023		Air Spring (1)	160.23
				Air Spring (1) for NG-9	160.22
Bill	1424262L	12/27/2023		Lock Replacement for NG-2	693.29
				<b>TOTAL</b>	<b>3,583.26</b>
<b>Check</b>	<b>15278</b>	<b>01/05/2024</b>	<b>Underground Service Alert</b>		
Bill	11202304335	12/01/2023		Underground Dig Alerts November-2023 ( )	17.00
Bill	1220230438	01/01/2024		Underground Dig Alerts December-2023 (6)	20.50
				<b>TOTAL</b>	<b>37.50</b>
<b>Check</b>	<b>15279</b>	<b>01/05/2024</b>	<b>UniFirst Corporation</b>		
Bill	2190105867	12/29/2023		December - 2023	179.52
Bill	2190105868	12/29/2023		December - 2023	69.68
Bill	2190105869	12/29/2023		December - 2023	62.54
Bill	2190105870	12/29/2023		December - 2023	14.09
				<b>TOTAL</b>	<b>325.83</b>
<b>Check</b>	<b>15280</b>	<b>01/05/2024</b>	<b>Viet Link Radio</b>	<b>12/14/23 - 12/25/23</b>	
Bill	December-2023	12/26/2023		Radio outreach (8) 12/14/23 - 12/25/23	2,400.00
				<b>TOTAL</b>	<b>2,400.00</b>
<b>Check</b>	<b>15281</b>	<b>01/05/2024</b>	<b>Westminster Community Foundation</b>	<b>2024 Tet Parade Fundraising Gala</b>	
Bill	2024 Tet Parade Gala	01/04/2024		2024 Tet Parade Fundraising Gala	750.00
				<b>TOTAL</b>	<b>750.00</b>
<b>Check</b>	<b>15282</b>	<b>01/05/2024</b>	<b>Woodcliff Corporation - Contractor</b>	<b>Project No: 202041</b>	
Bill	Building #14 Nov-23	01/02/2024		Building Project Pay App #14 Nov 2023	449,908.68
				<b>TOTAL</b>	<b>449,908.68</b>
<b>Check</b>	<b>15283</b>	<b>01/05/2024</b>	<b>Woodcliff Corporation - Escrow Account</b>	<b>Account No. 3586554618</b>	
Bill	3586554618 112023	01/02/2024		Building Project #14 Nov 2023 - Retention Payment	23,679.40
				<b>TOTAL</b>	<b>23,679.40</b>
<b>Check Total</b>					<b>\$1,468,025.03</b>
<b>ACH Payment</b>		<b>12/13/2023</b>	<b>Nationwide</b>	<b>Funds Transfer 457(b) Salary Reduction</b>	
				Funds Transfer	5,541.54
				<b>TOTAL</b>	<b>5,541.54</b>
<b>ACH Payment</b>		<b>12/13/2023</b>	<b>Nationwide</b>	<b>Funds Transfer 457(b) Roth Contribution</b>	
				Funds Transfer 457(b) Roth Contribution	1,621.26
				<b>TOTAL</b>	<b>1,621.26</b>
<b>ACH Payment</b>		<b>12/27/2023</b>	<b>Nationwide</b>	<b>Funds Transfer 457(b) Salary Reduction</b>	
				Funds Transfer 457(b) Salary Reduction	3,458.30
				<b>TOTAL</b>	<b>3,458.30</b>
<b>ACH Payment</b>		<b>12/27/2023</b>	<b>Nationwide</b>	<b>Funds Transfer 457(b) Roth</b>	
				Funds Transfer 457(b) Roth	1,341.24

**Midway City Sanitary District**

**Accounts Payable Expenditures, Payments, Payroll, and Transfer(s) Report  
Prepared for Board Meeting held on January 16, 2024**

Type	Num	Date	Name	Memo	Paid Amount
				<b>TOTAL</b>	1,341.24
ACH Payment		01/05/2024	Nationwide	<b>Funds Transfer 457(b) OBRA-PST</b>	
				Funds Transfer 457(b) OBRA-PST	868.50
				<b>TOTAL</b>	868.50
ACH Payment		12/14/2023	US Bank Fee	<b>Service Charge</b>	
				Service Charge	633.80
				<b>TOTAL</b>	633.80
ACH Payment	FY24M1034	12/11/2023	Chevron Texaco (Wex Bank)	<b>Acct # 0496-00-525172-3</b>	
Bill	Nov-2023	12/12/2023		Nov-2023	99.61
				Nov-2023	560.26
				Nov-2023	227.11
				Nov-2023	913.02
				<b>TOTAL</b>	1,800.00
ACH Payment	FY24M1035	12/13/2023	CalPERS-Retirement	<b>6882866561</b>	
Bill	11/27/23-12/10/23	12/13/2023		Earned Period 11/27/23-12/10/23	3,593.51
				Earned Period 11/27/23-12/10/23	6,458.13
				Earned Period 11/27/23-12/10/23	7,242.70
				Earned Period 11/27/23-12/10/23	2,613.78
				<b>TOTAL</b>	19,908.12
ACH Payment	FY24M1036	12/20/2023	Paychex	<b>Acct # Y4807254</b>	
Bill	4436377	12/05/2023		Time & Attendance Dec 2023	389.23
				<b>TOTAL</b>	389.23
ACH Payment	FY24M1037	12/27/2023	CalPERS-Retirement	<b>6882866561</b>	
Bill	12/11/23 - 12/24/23	12/24/2023		Earned Period 12/11/23-12/24/23	113.30
				Earned Period 12/11/23-12/24/23	203.61
				Earned Period 12/11/23-12/24/23	235.22
				Earned Period 12/11/23-12/24/23	82.41
				<b>TOTAL</b>	634.54
ACH Payment	FY24M1037	12/27/2023	CalPERS-Retirement	<b>6882866561</b>	
Bill	12/11/23 - 12/24/23	12/24/2023		Earned Period 12/11/23-12/24/23	1,846.07
				Earned Period 12/11/23-12/24/23	3,317.69
				Earned Period 12/11/23-12/24/23	3,832.73
				Earned Period 12/11/23-12/24/23	1,342.76
				<b>TOTAL</b>	10,339.25
ACH Payment	FY24M1037	12/27/2023	CalPERS-Retirement	<b>6882866561</b>	
Bill	12/11/23 - 12/24/23	12/24/2023		Earned Period 12/11/23-12/24/23	1,634.14
				Earned Period 12/11/23-12/24/23	2,936.83
				Earned Period 12/11/23-12/24/23	3,392.74
				Earned Period 12/11/23-12/24/23	1,188.61
				<b>TOTAL</b>	9,152.32
ACH Payment	FY24M1038	12/26/2023	WEX Health Inc	<b>Customer ID 45927</b>	
Bill	0001860098-IN	11/30/2023		Monthly HRA Admin Fee November - 2023	30.00
				Monthly HRA Admin Fee November - 2023	48.00
				<b>TOTAL</b>	78.00
ACH Payment	FY24M1039	01/03/2024	CalPERS - Health Benefits	<b>6882866561</b>	
Bill	17391226	01/01/2024		2024_01	7,035.87
				<b>TOTAL</b>	7,035.87
ACH Payment	FY24M1040	01/03/2024	CalPERS - Health Benefits	<b>6882866561</b>	
Bill	17391225	01/01/2024		2024_01	9,527.02
				2024_01	27,926.33
				2024_01	14,894.86
				2024_01	5,997.76
				2024_01	3,000.44
				2024_01	5,603.21
				2024_01	7,061.40
				2024_01	448.15
				<b>TOTAL</b>	74,459.17
ACH Payment	FY24M1041	01/03/2024	US Bank Corporate Payment System	<b>Acct # 4246 0445 5568 5498</b>	
Bill	42460445556854981223	12/22/2023		CAL-Card Expenses Dec 2023	14,623.60
				<b>TOTAL</b>	14,623.60
<b>ACH Payments Total</b>					<b>\$151,884.74</b>
Payroll		12/13/2024		Employee Payroll	151,932.52

**Midway City Sanitary District**

**Accounts Payable Expenditures, Payments, Payroll, and Transfer(s) Report**

Prepared for Board Meeting held on January 16, 2024

Type	Num	Date	Name	Memo	Paid Amount
Payroll		12/27/2024		Employee Payroll	96,042.59
Payroll		01/05/2024		Board Payroll	8,503.01
<b>Payroll Total</b>					<b>\$256,478.12</b>

**Total Disbursements** **\$1,876,387.89**

Transfers					
Transfer		12/19/2023	Transfer	Funds Transfer from MM to Checking	
				Funds Transfer from MM to Checking	500,000.00
				<b>TOTAL</b>	<b>500,000.00</b>
Transfer		01/04/2024	Transfer	Funds Transfer from MM to Checking	
				Funds Transfer from MM to Checking	1,000,000.00
				<b>TOTAL</b>	<b>1,000,000.00</b>
<b>Transfers Total</b>					<b>\$1,500,000.00</b>

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

I hereby certify that I have reviewed the attached expenditures, payments, payroll, and transfers of the Midway City Sanitary District to be reviewed on January 16, 2024, and have determined and verified they are payable within the Annual Budget approved by the Midway City Sanitary District Board of Directors.

\_\_\_\_\_  
 Director Sergio Contreras  
 Midway City Sanitary District Treasurer

\_\_\_\_\_  
 Date

AGENDA ITEM #7A

Date: January 16, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Siamlu Cox, Director of Finance and Human Resources

Subject: Approve and File the Treasurer’s Investment Report for December 2023

**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.

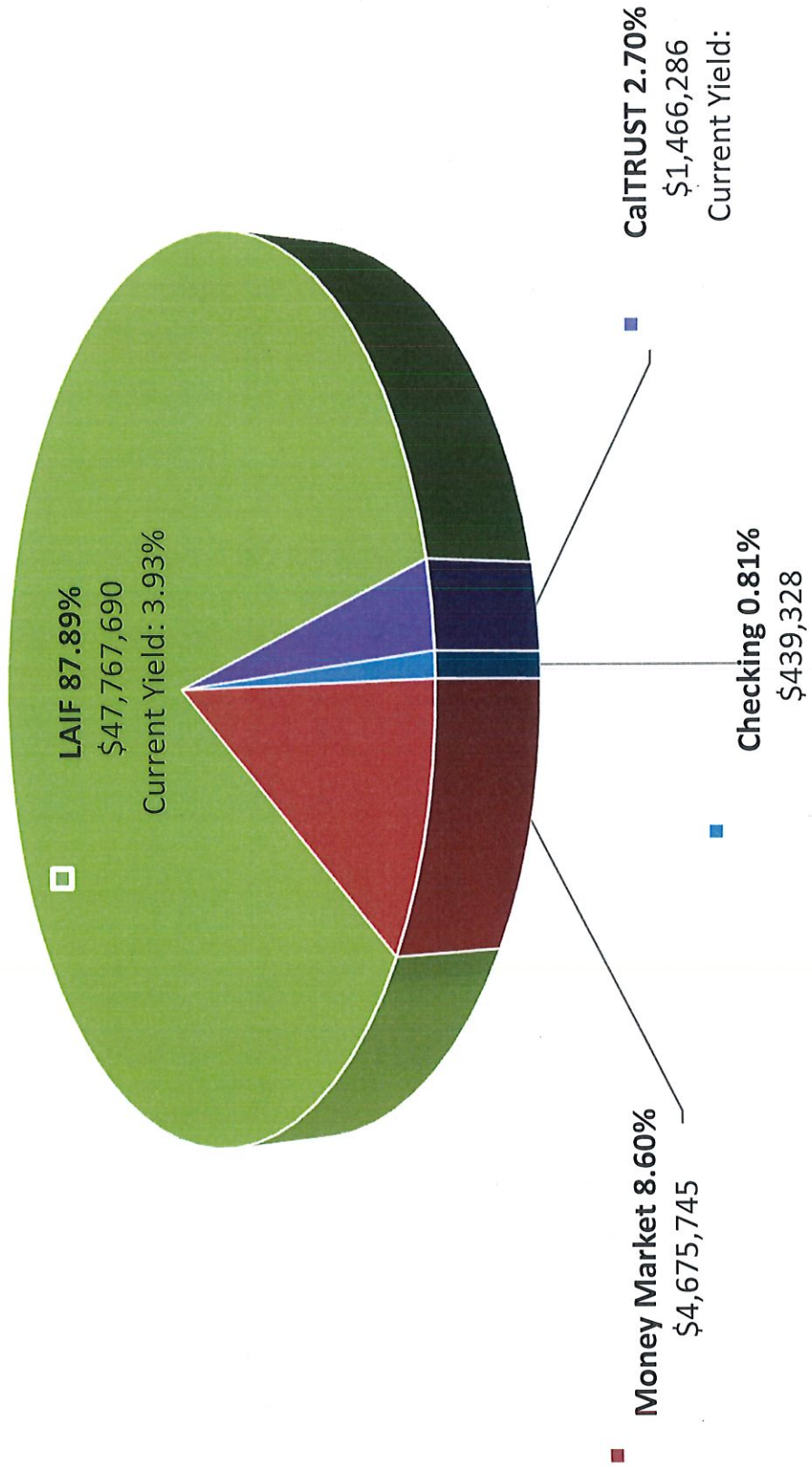
The Book Value of MCSD’s total invested cash as of December 31, 2023, is \$54,349,048.49.

INVESTMENT	TYPE OF INVESTMENT	MATURITY DATE	YIELD	BOOK VALUE AS OF 12/31/2023	MARKET VALUE AS OF 12/31/2023	% OF PORTFOLIO	MAXIMUM PERCENTAGE OF PORTFOLIO
<b>FDIC Insured Accounts</b>							
US Bank Interest Checking	Checking	Liquid		\$ 439,327.66	\$ 439,327.66	0.81%	None
US Bank Money Market	Money Market	Liquid		\$ 4,675,744.65	\$ 4,675,744.65	8.60%	20%
Certificate of Deposits	CD	-		\$ -	\$ -	0.00%	30%
<b>Total FDIC Insured Accounts</b>				<b>\$ 5,115,072.31</b>	<b>\$ 5,115,072.31</b>	<b>9.41%</b>	
<b>LAIF</b>							
LAIF	Pool	Liquid	3.929%	\$ 47,767,690.46	\$ 47,767,690.46	87.89%	\$75 million
CalTRUST (Medium Term Fund)	Pool/Bond Fund	Liquid	0.000%	\$ 1,466,285.72	\$ 1,466,285.72	2.70%	30%
Certificate of Deposits	CD	-	-	\$ -	\$ -	0.00%	30%
U.S. Treasury Securities	US Securities	-	-	\$ -	\$ -	0.00%	None
<b>TOTAL Investments</b>				<b>\$ 54,349,048.49</b>	<b>\$ 54,349,048.49</b>	<b>100.00%</b>	

**FISCAL IMPACT**

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

# MCS D Portfolio as of 12.31.2023



MIDWAY CITY SANITARY DISTRICT  
District Investment Activities  
12/31/2023

	Operating Fund	Midway City	Buildings Equipment & Facilities	Lift Stations & Sewer Lines	CNG Station & Fueling Facilities	Vehicle Replacement	Total LAIF Account No. 7030-005	Emergency Fund
Beginning Balance, 12.01.2023	\$ 4,788,516.38	\$ 1,564,762.81	\$ 5,511,123.47	\$ 30,315,430.08	\$ 1,981,421.61	\$ 3,606,436.11	\$ 47,767,690.46	\$ 1,452,847.26
Investment Income, LAIF & CalTRUST								
Market Value Capital Gain/(Loss)								
Transfer from LAIF to US Bank								\$ 4,484.90
Transfer from US Bank to LAIF								\$ 13,438.46
Transfers LAIF to LAIF	\$ 2,012,070.92		\$ (708,270.14)	\$ (854,460.58)		\$ (449,340.20)		
Transfer from CalTRUST to US Bank								\$ (4,484.90)
Ending Balance, 12.31.2023	\$ 6,800,587.30	\$ 1,564,762.81	\$ 4,802,853.33	\$ 29,460,969.50	\$ 1,981,421.61	\$ 3,157,095.91	\$ 47,767,690.46	\$ 1,466,285.72

TOTAL LAIF, U.S. SECURITIES, CalTRUST & INTEREST RECEIVABLE \$ 49,233,976.18  
 ADD: US BANK \$ 439,327.66  
     a. Checking (158301509028)  
     b. Money Market (158200156913) \$ 4,675,744.65  
 TOTAL DISTRICT CASH ON HAND \$ 54,349,048.49

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  
Siamlu Cox, Director of Finance and Human Resources

Dated

Robert Housley, General Manager

Dated

California State Treasurer  
**Fiona Ma, CPA**



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

January 03, 2024

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

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MIDWAY CITY SANITARY DISTRICT

GENERAL MANAGER  
14451 CEDARWOOD STREET  
WESTMINSTER, CA 92683

[Tran Type Definitions](#)

**Account Number:** 70-30-005

December 2023 Statement

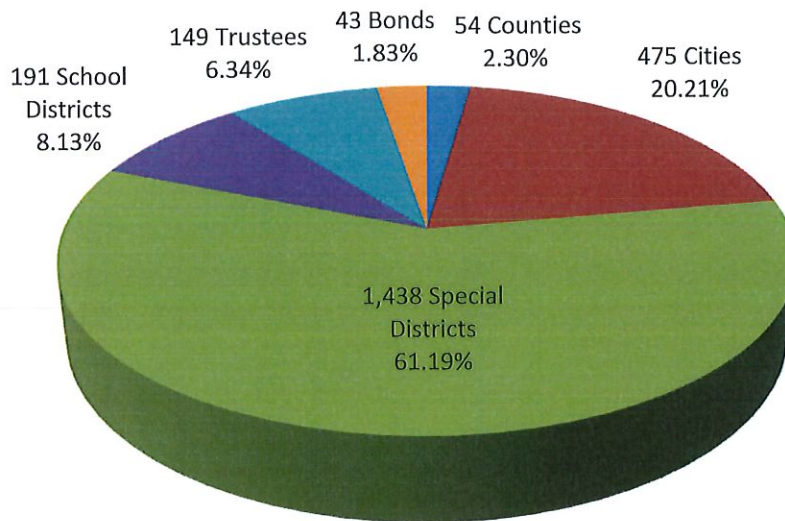
**Account Summary**

Total Deposit:	0.00	Beginning Balance:	47,767,690.46
Total Withdrawal:	0.00	Ending Balance:	47,767,690.46

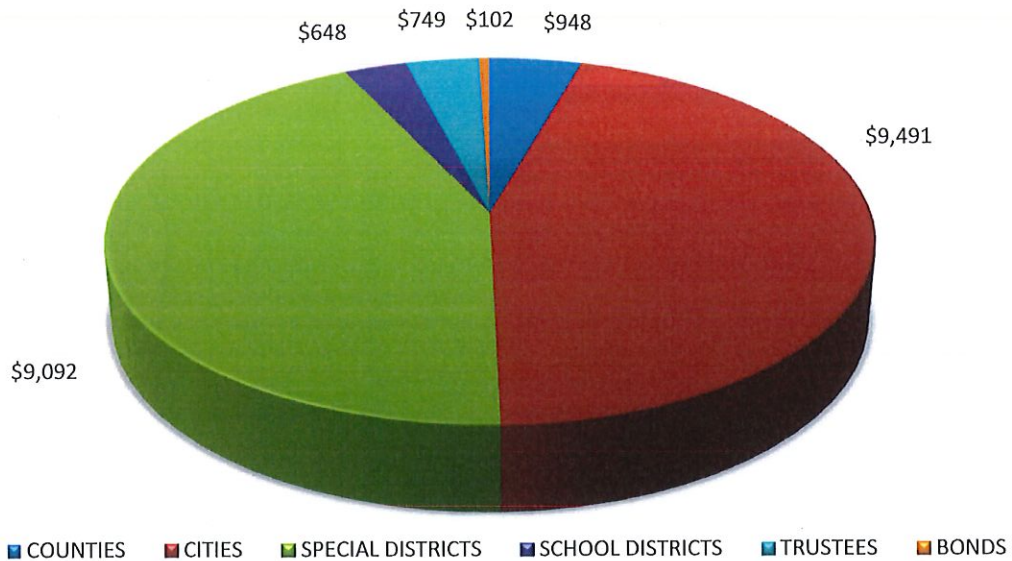
## LAIF STATISTICS AS OF 12/31/23

	Balance By Type	Participation	% of Fund
54 COUNTIES	948,482,290.25	2.30%	4.51%
475 CITIES	9,491,128,029.46	20.21%	45.13%
1,438 SPECIAL DISTRICTS	9,092,035,890.84	61.19%	43.23%
191 SCHOOL DISTRICTS	648,239,795.06	8.13%	3.08%
149 TRUSTEES	748,814,046.14	6.34%	3.56%
43 BONDS	101,788,736.75	1.83%	0.48%
<b>2,350 Fund Balance:</b>	<b>\$21,030,488,788.50</b>	<b>100.00%</b>	<b>100.00%</b>

Participation:



Balance by Type (dollars in millions):



Percentages may not total 100% due to rounding.





[Home](#) ->> [PMIA](#) ->> PMIA Average Monthly Effective Yields



**POOLED MONEY INVESTMENT ACCOUNT**

## 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	2.353
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

\* Revised



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## Investment Account Summary

12/01/2023 through 12/31/2023

### SUMMARY OF INVESTMENTS

Fund	Account Number	Total Shares Owned	Net Asset Value per Share on Dec 31 (\$)	Value on Dec 31 (\$)	Average Cost Amount (\$)	Cumulative Change in Value (\$)
MIDWAY CITY SANITARY DISTRICT	20100007910					
CalTRUST Medium Term Fund	20100007910	149,316.265	9.82	1,466,285.72	1,532,350.47	(66,064.75)
Portfolios Total value as of 12/31/2023				1,466,285.72		

### 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) (\$)
		<b>MIDWAY CITY SANITARY DISTRICT</b>			<b>Account Number: 20100007910</b>			
Beginning Balance	12/01/2023			149,316.265	9.73	1,452,847.26		
Accrual Income Div Cash	12/29/2023	4,484.90	0.000	149,316.265	9.82	1,466,285.72	0.00	0.00
Change in Value						13,438.46		
Closing Balance as of	Dec 31			149,316.265	9.82	1,466,285.72		

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.

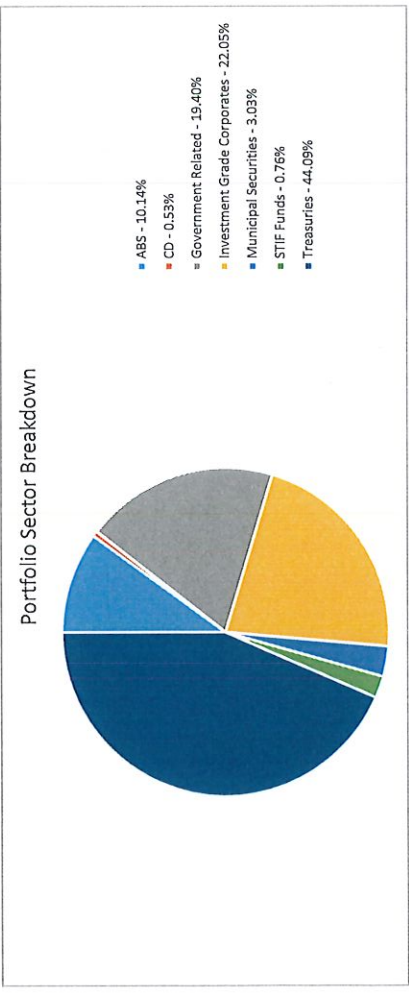


	CalTRUST Medium Term	BofAML 1-3 Corp & Gov't, A Rated and Above	CalTRUST Medium Term Yield	BofAML 1-3 Corp & Gov't, A Rated and Above
Net Assets	\$977,514,668.80	N/A	0.33%	1.18%
NAV per Share	\$9.82	N/A	0.97%	2.65%
30 Day SEC Yield	4.41%	N/A	1.89%	3.46%
Distribution Yield	3.85%	N/A	3.52%	4.66%
Period Net Total Return	1.23%	1.18%	2.42%	0.36%
Effective Duration	2.07 yrs	N/A	1.74%	0.10%
Average Maturity	2.30 yrs	N/A	1.77%	1.53%
Weighted Average Life	2.37 yrs	N/A	1.48%	1.29%
			1.96%	2.15%

CalTRUST Medium Term Net Total Return	One Month	Three Month	Six Month	One Year*	Two Year*	Three Year*	Five Year*	Ten Year*	Since Inception*
1.23%	2.84%	3.34%	4.68%	0.55%	0.17%	1.54%	1.22%	1.87%	1.87%

\*Annualized



Rated AA-F by S&P Global Ratings

**Midway City Sanitary District  
CalTRUST Summary**

**CalTRUST - Medium-Term Fund**

	Investment or (Withdrawal)	Dividends '+'	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-2022		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

\$ 1,453,168.83 \$ 79,181.64 \$ (66,064.75) \$ 1,466,285.72

## AGENDA ITEM #7B

Date: January 16, 2024  
To: Board of Directors  
From: Robert Housley, General Manager  
Prepared by: Milo Ebrahimi, P.E., District Engineer  
Subject: Approve and File the Engineer Report for December 2023

### **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 finished lighting inside of the building.
- 1.1.2. Contractor finished low voltage cabling inside the building.
- 1.1.3. Contractor finished flooring tiles inside the building.
- 1.1.4. Contractor is cleaning up inside the building.

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

- 1.2.1. Contractor finished flooring tiles inside of the Locker room building.
- 1.2.2. Contractor finished installing lockers inside the Locker room building.
- 1.2.3. Contractor is cleaning up inside the building.

##### 1.3. Landscaping:

- 1.3.1. Contractor finished placing artificial turf.
- 1.3.2. Contractor finished planting all plants.
- 1.3.3. Contractor finished placing mulch for the landscape.

##### 1.4. Solar Carport:

- 1.4.1. Contractor finished the installation of the framing for the carport.

##### 1.5. Housekeeping and dust control:

- 1.5.1. District communicates with the contractor to resolve any housekeeping issues.
- 1.5.2. Contractor sweeps nails and sharp objects with big magnets frequently.

2. Plans Reviewed
  - 2.1. Sewer permits (this month): 16.
  - 2.2. Sewer permits (this fiscal year): 99.
  - 2.3. Development projects (trash enclosures and/or sewer lines): 4.
  
3. Westminster Mall project
  - 3.1. The Conditional Will Serve Letter is prepared and sent to the developer's engineer for review.
  - 3.2. District has not received any comments on the Conditional Will Serve Letter yet.
  
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 the progress.
    - 4.1.2. Consultant will finish in about 6 months. A few months' delay is possible due to some missing As-Builts. A survey of the missing area or other approach might be needed to cover missing information for engineering analysis.
    - 4.1.3. Consultant worked on developing sewer system model and utilizing GIS based software (task 2 of the project).
    - 4.1.4. Consultant worked on assessing lift stations and developing capital rehabilitation program (task 7 of the project).
    - 4.1.5. Consultant worked on evaluating operation and maintenance program (task 8 of the project).
    - 4.1.6. Consultant worked on developing management plans (task 11 of the project).
  
  - 4.2. Sewer System Cleaning and CCTV Project By Empire Pipe Cleaning & Equipment
    - 4.2.1. District performed the interview with Contractor and moved forward with this company.
    - 4.2.2. District finished preparing the contract for this project.
    - 4.2.3. District Engineer is working with Contractor and AKM to link the CCTV inspection report with GIS by AKM.
  
5. Sewer Department Activities
  - 5.1. There was no emergency related repair for sewer system this month.
  - 5.2. There was no sewer system overflow this month.
  - 5.3. 73 hotspot locations were cleaned.
  - 5.4. About 48 hotspot locations were checked weekly.
  - 5.5. About 51,000 linear feet of sewer line was cleaned on the west side.

6. Trainings and Meetings

- 6.1. District Engineer attended monthly meeting with District Engineer of Costa Mesa Sanitary District.
- 6.2. District Engineer attended Development Review Team meetings at the City of Westminster.

7. Preventive Maintenances (PM) and Repairs

- 7.1. Contractor performed the monthly PM services on the CNG station at the yard.
- 7.2. A repair was done on the portable generator in the yard. The portable generator is still not operational due to more issues. The contractor will need more parts to finish the repair.
- 7.3. A repair was done on the SCADA system due to communication issues with the pump stations.

**FISCAL IMPACT**

Informational report only.

**STAFF RECOMMENDATION**

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

AGENDA ITEM #7C

Date: January 16, 2024  
To: Board of Directors  
From: Robert Housley, General Manager  
Prepared by: Ashley Davies, Director of Services and Program Development  
Subject: Approve the January 3, 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. The Committee recommends continued radio and media outreach, averaging up to two radio programs per month on an ongoing basis.

The Outreach Committee met on January 3, 2024 and their recommendations are as follows:

1. The Committee recommends that two of the three directors, Directors C. Nguyen, President A. Nguyen, or Director S. Contreras, participate in the radio outreach with Radio Bolsa. An appointment will be set up in January.
2. The Committee recommends that President M. Nguyen, Director T. Diep, or Director S. Contreras to attend the radio outreach with VNCR Radio. An appointment will be set up in January.
3. The Committee recommends the five clean-up events for the year are set as 1:Liberty Park, 2: Sigler Park, 3: Bolsa Chica Park, 4: Bowling Green Park, 5: Russell Paris Park
4. The Committee recommends having a table at the Westminster Community Foundation Tet Gala on Saturday, January 6, 2024.
5. The next Outreach Committee meeting is planned for February 7, 2024 at 12:00 noon.

**FISCAL IMPACT**

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

- Monthly radio outreach \$ 4,000
- Westminster Community Foundation Tet Gala \$750

**STAFF RECOMMENDATION**

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



AGENDA ITEM #7D

Date: January 16, 2024

To: Board of Directors

From: Robert Housley, General Manager

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

Subject: Approve 2024 Work Plan for Director of Services and Program Development

**BACKGROUND**

The Board of Directors requested a Work Plan for the Director of Services and Program Development that details the scope, objectives, tasks, and timelines for this position for 2024. The role of the Director of Services and Program Development is to lead Midway City Sanitary District in delivering the best-in-class services to customers and the community. The Director will also oversee and strategize the creation and enhancement of various programs provided by Midway City Sanitary District, to create community engagement and promote the District’s goals and objectives. The goal of the work plan is to have an outline of projects, services, and programs that the Director will create, oversee, and improve.

**DISCUSSION**

The purpose of this work plan is to present a framework for the Director of Services and Program Development. The following plan outlines Areas of Responsibility, Activities, Deliverables, and Timelines. The work plan focuses on three goals. Each goal has its own set of objectives, activities, deliverables, and datelines. The approval of this plan is crucial for the successful implementation of the District’s goals and visions moving forward.

**FISCAL IMPACT**

There is no fiscal impact for the work plan.

**STAFF RECOMMENDATION**

Staff recommends that the Board of Directors approve the attached 2024 work plan for the Director of Services and Program Development.

**ATTACHMENTS:**

Proposed work plan for the Director of Services and Program Development.

## Director of Services and Program Development: Scope of Work/Plan

The role of the Director of Services and Program Development is to lead Midway City Sanitary District in delivering the best-in-class services to customers and the community. The Director will also oversee and strategize the creation and enhancement of various programs provided by Midway City Sanitary District, to create community engagement and promote the District's goals and objectives.

**Objectives:**

1. Deliver: Services
2. Relational: Communications, Community, and Education
3. Develop: Continuous Improvement and New Directions

Area of Responsibility GOAL	Objective	Activities	Deliverable(s)	Start	Deadline
<b>Services</b>	Plan and provide oversight or services to customers and community	<ul style="list-style-type: none"> <li>Take customer calls/inquiries</li> <li>Resolve customer complaints/concerns</li> <li>Work with CR&amp;R to resolve commercial contracts</li> <li>Monitor and evaluate services</li> </ul>	<ul style="list-style-type: none"> <li>Call logs updated daily</li> <li>Email communication for documentation</li> <li>Provide updates to the General Manager and Board of Directors</li> </ul>	Immediate	On-going
	Ensure the District's Solid Waste Franchise Agreement with CR&R is in compliance with SB 1383 Regulations	<ul style="list-style-type: none"> <li>Work with CR&amp;R to ensure all commercial and multi-family customers are in compliance with SB1383 by Jan 1, 2024.</li> <li>Recommend and Implement procedures for waivers, audits, fines, education, documentation with CR&amp;R for commercial and multifamily customers.</li> <li>Work with CR&amp;R to ensure all commercial and multi-family customers are in compliance with AB 341 Mandatory Commercial Recycling by December 31, 2024.</li> <li>Evaluate services provided by franchisee CR&amp;R and provide recommendations for enhanced services for commercial and multi-family customers.</li> <li>Residential audits</li> <li>Commercial waivers</li> <li>Keeping records of audits, warnings, citations</li> </ul>	<ul style="list-style-type: none"> <li>Waiver documentation/records</li> <li>Email communication with CR&amp;R</li> <li>Reports for compliance</li> </ul>	Sept 2023	On-going
			<ul style="list-style-type: none"> <li>Photos</li> <li>Email communication</li> <li>Reports for compliance</li> </ul>	Jan 2024	On-going
				Nov 2023	March 2024

		<ul style="list-style-type: none"> <li>• Recommend and Implement Recordkeeping system/software for tracking of SB 1383 audits and compliance checks.</li> </ul>			
		<ul style="list-style-type: none"> <li>• Attend monthly CalRecycle meetings</li> <li>• Communication with other agencies for best practices</li> </ul>	<ul style="list-style-type: none"> <li>• Report back to Board and General manager on CalRecycle meetings, SB1383 regulations</li> <li>• Adjust current protocols when necessary for best practices</li> </ul>	Immediate	On-going
	Direct Supervision of assigned staff	<ul style="list-style-type: none"> <li>• Delegate responsibility of staff member</li> <li>• Coach for best practices of customer service</li> <li>• Create and oversee intern program</li> </ul>	<ul style="list-style-type: none"> <li>• Yearly employee reviews</li> <li>• Intern- work plan, evidence of completed work</li> </ul>	Immediate June 2024 (Intern program)	September 2024
	Assist staff as necessary	<ul style="list-style-type: none"> <li>• Backup to Administrative Secretary/Receptionist and Executive/Board Secretary</li> <li>• Assist/act as back up to other department heads</li> </ul>	<ul style="list-style-type: none"> <li>• Answer phones</li> <li>• Prepare for Board Meetings</li> <li>• Organize/complete reports</li> <li>• Collect payments</li> <li>• Review permits</li> </ul>	Immediate	On-going
	Present programs, reports, proposals to General manager and Board of Directors	<ul style="list-style-type: none"> <li>• Proposals for spending funds on education</li> <li>• Updates on compliance, events, outreach, activities</li> <li>• Proposals for new programs</li> <li>• Outreach committee</li> <li>• Report of Director of Services and Program Development at Board meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Proposals</li> <li>• Presentations/reports</li> <li>• Implementation of new programs</li> <li>• Launching new outreach opportunities (social media)</li> <li>• Monthly Board meeting reports</li> </ul>	Immediate November 2023	On-going
Relational: Communications, Community, & Education	Support the development and vetting of marketing/outreach materials	<ul style="list-style-type: none"> <li>• Review and/or help develop documents for marketing</li> <li>• Develop designs for advertising/events</li> <li>• Oversee editing/production of materials</li> <li>• Create posts for social media</li> <li>• Write press releases</li> <li>• Create topics of discussion for radio/tv programs</li> <li>• Seek advertisement opportunities in all areas</li> </ul>	<ul style="list-style-type: none"> <li>• Calendar</li> <li>• Multi-language Ads (print and digital, Hulu, Spectrum, radio, newsletters, Westminster recreation guide, Local Ch 3)</li> <li>• Event promoting</li> <li>• Press releases for 85<sup>th</sup> anniversary and other major events</li> <li>• Open House invitations</li> </ul>	Nov 2023 Oct 2023 Jan 2024 June 2024	On-going

	Community outreach	<ul style="list-style-type: none"> <li>• Social media and management of website</li> <li>• In-school assemblies</li> <li>• Classroom visits</li> <li>• Attend events on school campuses</li> <li>• Education events for commercial/residential customers</li> <li>• SB1383 promotion/education</li> <li>• Attendance at radio/TV programs</li> <li>• Attendance at school board meetings, community education events with CR&amp;R, city events, county events</li> </ul>	<ul style="list-style-type: none"> <li>• Social media posts (3 times per week on Instagram, Facebook, X/Twitter) Messaging dependent on events, things happening in the community, program offerings) Ex: January posts would consist of reminders about SB1383 and Open House information</li> <li>• Lesson templates/plans</li> <li>• SB1383 education includes site visits with CR&amp;R, social media posts, digital newsletter (quarterly), fliers, community events with tables of information</li> <li>• School surveys</li> <li>• Community feedback</li> <li>• Website</li> <li>• Press releases</li> </ul>	<p>Jan 2024 (schools)</p> <p>Sept 2023</p>	On-going
	Event planning and execution	<ul style="list-style-type: none"> <li>• Open House</li> <li>• Clean-up events</li> <li>• 85<sup>th</sup> Anniversary Celebration</li> <li>• Compost giveaways</li> <li>• Bulky pickup, oil, mattress recycle, FOG program</li> <li>• Radio/TV programs</li> </ul>	<ul style="list-style-type: none"> <li>• Documentation of planning/execution</li> <li>• Financial record keeping</li> <li>• Feedback reports from events</li> </ul>	<p>Yearly events</p> <p>Feb 2024</p> <p>March 2024</p>	On-going
	SB1383 Enforcement and Education	<ul style="list-style-type: none"> <li>• Community Outreach on SB1383 enforcement</li> <li>• Audits</li> <li>• Reporting</li> <li>• Notification of noncompliance</li> <li>• Working on reporting and tracking with CalRecycle and CR&amp;R to be in compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Record keeping</li> <li>• Email communications</li> <li>• Documentation of noncompliance/audits</li> </ul>	<p>January 2024</p> <p>June 2024</p>	On-going
Development: Continuous Improvement and New Directions	Create a Strategic Vision and Plan	<ul style="list-style-type: none"> <li>• Schedule strategic planning meetings.</li> <li>• Preparing materials and resources</li> <li>• Implementation of New Strategic Vision and Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic planning meetings for stakeholder input.</li> <li>• Strategic Vision and Plan Document Approved by Board of Directors</li> <li>• CalRecycle grant evaluated &amp; funds awarded.</li> </ul>	<p>Jan 2024</p> <p>Jan 2024</p> <p>Sep 2023 Nov 2023</p>	<p>May 2024</p> <p>June 2024</p> <p>Nov 2023 Apr 2024</p>

	<p>Secure Grant Funding For District Improvements and Program Support</p> <p>Increase Recognition for Excellence and Transparency</p> <p>Through Sponsorships Enhance Community Involvement and Strengthen Community Partnerships</p>	<ul style="list-style-type: none"> <li>• CalRecycle SB 1383 grant application, award, and implementation</li> <li>• Explore other grant opportunities as they become available.</li> <li>• CSDA Transparency Award</li> <li>• Create a Sponsorship Policy for Events and Create Sponsorship Packages as Directed.</li> </ul>	<ul style="list-style-type: none"> <li>• Grant proposals, applications</li> <li>• Coordinate with staff and board to ensure requirements are met &amp; submit to CSDA for consideration.</li> <li>• Award received &amp; recognition at CSDA Annual Conference</li> <li>• A Sponsorship Policy</li> <li>Sponsorship Package Event Specific</li> </ul>	<p>Immediate</p> <p>Oct 2023</p> <p>Aug 2024</p> <p>Sep 2023</p> <p>Nov 2023</p>	<p>Ongoing</p> <p>Sep 2024</p> <p>Sep 2024</p> <p>Nov 2023</p> <p>Ongoing</p>
	<p>Education &amp; Outreach</p>	<ul style="list-style-type: none"> <li>• Prepare an annual media campaign by month.</li> <li>• Prepare an annual educational outreach campaign</li> <li>• Add Instagram page</li> <li>• Create YouTube channel</li> <li>• Broaden advertising/marketing range</li> </ul>	<ul style="list-style-type: none"> <li>• Documented Annual Media Plan for 2024</li> <li>• Documented Educational Outreach Plan for 2024</li> <li>• Instagram page (completed)</li> <li>• Creation of YouTube videos/messages</li> <li>• Reports for approval</li> </ul>	<p>Nov 2023</p> <p>Jan 2024</p> <p>Jan 2024</p>	<p>Dec 2023</p> <p>Feb 2024</p> <p>Feb 2024</p>
	<p>Engage with Community to Receive Feedback on Our Services and Programs</p>	<ul style="list-style-type: none"> <li>• Create a customer service survey for the community to evaluate our current services and to find opportunities of improvement for residential, commercial, and our multifamily customers.</li> <li>• Analyze survey, prepare a report of findings and present to the GM and Board of Directors.</li> </ul>	<ul style="list-style-type: none"> <li>• Survey</li> <li>• Survey results</li> </ul>	<p>March 2024</p>	<p>May 2024</p>
	<p>Ensure Enforcement and Compliance Information is Tracked and Recorded Per CalRecycle and SB 1383 Requirements</p>	<ul style="list-style-type: none"> <li>• Engage with the City of Westminster's Code Enforcement for Procedures for Submitting Information for Submitting Citations</li> <li>• Research and Implement Tracking and Reporting Protocols for SB 1383 Compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Written Procedures and Recordkeeping Requirements for Citations.</li> <li>• Software installation, training, and utilization.</li> </ul>	<p>Nov 2023</p> <p>Jan 2024</p>	<p>Feb 2024</p> <p>Ongoing</p>

AGENDA ITEM 9A

Date: January 16, 2024  
To: Board of Directors  
From: Robert Housley, General Manager  
Prepared by: Siamlu Cox, Director of Finance and Human Resources  
Subject: Consider and Approve the Fiscal Year 2022-23 Independent Financial Audit Report for Midway City Sanitary District (July 1, 2022 through June 30, 2023).

**BACKGROUND**

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

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

The Audit is complete and a copy thereof is attached.

Presenting the Audit from CliftonLarsenAllen, LLP is Kassie Rademacher.

**FISCAL IMPACT**

There is no fiscal impact associated with the consideration and approval of the Fiscal Year 2022-23 Independent Financial Audit Report

**STAFF RECOMMENDATION**

Staff recommends that the Board of Directors Review, discuss and file the Fiscal Year 2022-2023 Independent Audit Report.

**ATTACHMENTS:**

Audit Committee Letter  
Financial Statements and Supplementary Information for Year Ended June 30, 2023  
Auditors' Report on Internal Controls and Compliance  
Agreed-Upon-Procedures Appropriations (GANN) Limit Report



Board of Directors  
Midway City Sanitary District  
Westminster, California

We have audited the financial statements of Midway City Sanitary District (District) as of and for the year ended June 30, 2023, and have issued our report thereon dated January 10, 2024. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our engagement agreement dated March 21, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant audit findings or issues**

#### ***Qualitative aspects of accounting practices***

##### *Accounting policies*

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

No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2023.

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

##### *Accounting estimates*

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

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

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

*Financial statement disclosures*

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

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

***Significant unusual transactions***

We identified no significant unusual transactions.

***Difficulties encountered in performing the audit***

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

***Uncorrected misstatements***

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

***Corrected misstatements***

The following material misstatement detected as a result of audit procedures was corrected by management:

- A restatement to beginning net position was made to reduce the pension related deferred outflows of resources, contributions subsequent to the measurement date by \$154,754 to result in an amount that only includes employer contributions..

***Disagreements with management***

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

***Circumstances that affect the form and content of the auditors' report***

As previously communicated to you, the report was modified to describe the District's restatement to net position.

***Management representations***

We have requested certain representations from management that are included in the management representation letter dated January 10, 2024.



***Management consultations with other independent accountants***

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

***Significant issues discussed with management prior to engagement***

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

***Other audit findings or issues***

We have provided a separate communication to you dated January 10, 2024, communicating internal control related matters identified during the audit.

**Required Supplementary Information**

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

\* \* \*

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



**CliftonLarsonAllen LLP**

Irvine, California  
January 10, 2024

**MIDWAY CITY SANITARY DISTRICT**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2023**

**MIDWAY CITY SANITARY DISTRICT  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2023**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>4</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>11</b>
<b>STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION</b>	<b>12</b>
<b>STATEMENT OF CASH FLOWS</b>	<b>13</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>15</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY     (ASSET)</b>	<b>38</b>
<b>SCHEDULE OF CONTRIBUTIONS – DEFINED BENEFIT PENSION PLAN</b>	<b>40</b>
<b>SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED     RATIOS</b>	<b>42</b>
<b>SCHEDULE OF CONTRIBUTIONS – OPEB</b>	<b>43</b>



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Midway City Sanitary District  
Westminster, California

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Midway City Sanitary District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Midway City Sanitary District, as of June 30, 2023, and the changes in financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### **Emphasis of Matter**

##### ***Restatement for Correction of Errors***

As discussed in Note 11 to the financial statements, the District made restatements to beginning net position to correct prior period misstatements. Our opinion is not modified with respect to this matter.

##### ***Responsibilities of Management for the Financial Statements***

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

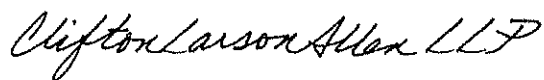
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of net pension liability (asset), the schedule of contributions – defined benefit pension plan, the schedule of changes in net OPEB liability (asset) and related ratios, and the schedule of contributions – OPEB, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Irvine, California  
January 10, 2024

**MIDWAY CITY SANITARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the year ended June 30, 2023. Please read it in conjunction with the District's financial statements, which follow this section.

**Financial Statements**

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

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

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

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

The statement of net position provides the basis for computing rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

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

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

- Operations
- Noncapital financing
- Capital and related financing
- Investing

This statement differs from the statement of revenues, expenses and changes in net position because the statement accounts only for transactions that result in cash receipts or cash disbursements.

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

**MIDWAY CITY SANITARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**Financial Highlights**

- The District's net position increased by \$1,387,395.
- During the year, the District's total revenues were \$ 15,451,273, while expenses totaled \$14,063,878.
- The District's cash and cash equivalents increased by \$994,591.

**Financial Analysis of the District**

**Net Position**

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

Midway City Sanitary District's net position increased by \$1,387,395 from fiscal year 2021-2022 to 2022-2023.

Unrestricted net position (those assets that can be used to finance day-to-day operations) increased \$3,267,640 and the net investment in capital assets, increased by \$2,241,050.



**MIDWAY CITY SANITARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

	For the Year Ended <u>6/30/2023</u>	For the Year Ended <u>6/30/2022</u>	For the Year Ended <u>6/30/2021</u>	Dollar Change 2023 to 2022
<u>Assets:</u>				
Current Assets	\$55,346,550	\$ 53,568,866	\$49,328,512	\$ 1,777,684
Net OPEB Asset	529,965	2,292,611	783,582	(1,762,646)
Net Pension Asset	-	2,768,839	72,379	(2,768,839)
Restricted - Cash and Investments				0
Held by Pension Trust	4,921,961	3,988,371	3,590,857	933,590
Capital Assets, Net	<u>23,920,835</u>	<u>21,536,793</u>	<u>22,728,619</u>	<u>2,384,042</u>
Total Assets	<u>84,719,311</u>	<u>84,155,480</u>	<u>76,503,949</u>	<u>563,831</u>
<u>Deferred Outflows of Resources:</u>				
Deferred Amounts from OPEB	1,171,793	220,451	166,376	951,342
Deferred Amounts from Pension Plan	<u>2,134,820</u>	<u>3,032,187</u>	<u>542,369</u>	<u>(897,367)</u>
Total Deferred Outflows of Resources	<u>3,306,613</u>	<u>3,252,638</u>	<u>708,745</u>	<u>53,975</u>
				23
<u>Liabilities:</u>				
Current Liabilities	1,026,545	753,025	606,408	273,520
Long-Term Liabilities	12,181	53,287	83,813	(41,106)
Net Pension Liability	<u>611,954</u>	-	-	611,954
Total Liabilities	<u>1,650,680</u>	<u>806,312</u>	<u>690,221</u>	<u>844,368</u>
<u>Deferred Inflows of Resources:</u>				
Deferred Amounts from OPEB	707,409	1,755,522	570,681	(1,048,113)
Deferred Amounts from Pension Plan	<u>61,731</u>	<u>472,822</u>	<u>287,523</u>	<u>(411,091)</u>
Total Deferred Inflows of Resources	<u>769,140</u>	<u>2,228,344</u>	<u>858,204</u>	<u>(1,459,204)</u>
<u>Net Position:</u>				
Investment in Capital Assets	23,777,843	21,536,793	22,728,619	2,241,050
Restricted				-
Restricted for Pension Benefits	4,310,007	6,757,210	3,663,236	(2,447,203)
Restricted for OPEB Benefits	529,965	2,292,611	783,582	(1,762,646)
Recycling Outreach & Education (SB 1383)	43,642	109,841	-	(66,199)
Unrestricted	<u>56,944,647</u>	<u>53,677,007</u>	<u>48,488,832</u>	<u>3,267,640</u>
Total Net Position	<u>\$85,606,104</u>	<u>\$ 84,373,462</u>	<u>\$75,664,269</u>	<u>\$ 1,232,642</u>

**MIDWAY CITY SANITARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**Revenues, Expenses and Changes in Net Position**

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

The District's total revenues increased by \$2,798,364 from fiscal year 2021-2022 to 2022-2023. A majority of the increase is attributed to a significant increase in Investment Income in the fiscal year 2022-2023.

The District's total expenses increased by \$10,120,162 from fiscal year 2021-2022 to 2022-2023. A principal factor for the increase in expenses is the net pension income of \$4,591,062 in fiscal year 2021-22. In contrast, fiscal year 2022-23 has a pension expense of \$3,982,095. Increased operational, tonnage for solid waste services, insurance, depreciation, and rising inflation costs attributed to the remainder of the expenses.

	For the Year Ended June 30, 2023	For the Year Ended June 30, 2022	Dollar Change 2022 to 2023
Operating Revenues	\$ 8,838,302	\$ 8,350,876	\$ 487,426
Nonoperating Revenues	6,612,971	4,302,033	2,310,938
Total Revenues	<u>15,451,273</u>	<u>12,652,909</u>	<u>2,798,364</u>
Operating Expenses	12,593,309	2,440,555	10,152,754
Nonoperating Expenses	4,920		4,920
Depreciation	1,465,649	1,503,161	(37,512)
Total Expenses	<u>14,063,878</u>	<u>3,943,716</u>	<u>10,120,162</u>
Change in Net Position	1,387,395	8,709,193	(7,321,798)
Net Position at Beginning of Year	<u>84,373,462</u>	<u>75,664,269</u>	<u>8,709,193</u>
Prior-Period Adjustment	(154,753)		(154,753)
Net Position at Beginning of Year, as Restated	<u>84,218,709</u>	<u>75,664,269</u>	<u>8,554,440</u>
Net Position at End of Year	<u>\$ 85,606,104</u>	<u>\$ 84,373,462</u>	<u>\$ 1,232,642</u>

**MIDWAY CITY SANITARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**Capital Assets**

Capital assets consist of the following at June 30, 2023 and June 30, 2022 respectively:

	For the Year Ended <u>June 30, 2023</u>	For the Year Ended <u>June 30, 2022</u>	Dollar Change <u>2022 to 2023</u>
Capital Assets, Not Depreciated:			
Land	\$ 92,948	\$ 92,948	\$ -
Work/Construction in Progress	<u>3,670,849</u>	<u>352,235</u>	<u>3,318,614</u>
Total Capital Assets, Not Depreciated	<u>3,763,797</u>	<u>445,183</u>	<u>3,318,614</u>
Capital Assets, Being Depreciated:			
Building and Improvements	\$ 906,409	\$ 1,024,974	\$ (118,565)
Lift Stations	5,582,673	5,582,673	-
Gravity Lines and Force Mains	17,818,984	17,818,984	-
Resident Containers	857,689	857,689	-
Refuse CNG Station & Facilities	3,459,268	3,459,268	-
Refuse Trucks	5,019,135	4,561,685	457,450
Other Vehicles	1,452,283	1,412,062	40,221
Other Equipment	<u>1,059,021</u>	<u>1,020,695</u>	<u>38,326</u>
Total Capital Assets, Being Depreciated	36,155,462	35,738,030	417,432
Total Accumulated Depreciation	<u>(15,998,424)</u>	<u>(14,646,420)</u>	<u>(1,352,004)</u>
Total Capital Assets, Being Depreciated, Net	<u>20,157,038</u>	<u>21,091,610</u>	<u>(934,572)</u>
Capital Assets, Net	<u>\$ 23,920,835</u>	<u>\$ 21,536,793</u>	<u>\$ 2,384,042</u>

The capital assets additions and deletions for the fiscal year ended June 30, 2023, increased a total of \$2,384,042, which included architectural design services and project manager services for a building remodel and solar project – work/construction in progress costs of \$3,318,614, a new solid waste truck for \$457,450, a new district utility truck for \$40,221, and upgrades to the SCADA system including upgrades to the lift station control panels for \$38,326.

Additional information on the District's capital assets can be found in Note 3, beginning on page 25 of this report.

**MIDWAY CITY SANITARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**Long-Term Liabilities and Debt Administration**

The District's long-term liability was \$264,378 at June 30, 2023.

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Within One Year	More Than One Year
Compensated Absences	\$ 273,389	\$ 243,186	\$ (252,197)	\$ 264,378	\$ 252,197	\$ 12,181

Additional information on the District's long-term debt can be found in Note 4 beginning on page 25 of this report.

**Economic Factors and Next Year's Budget and Rates**

**RESIDENTIAL SOLID WASTE (TRASH) AND SANITARY SEWER SERVICES**

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

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

**COMMERCIAL, INDUSTRIAL, BUSINESSES AND BIN SERVICES**

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

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

Current rate information may be found online on the District's website at [www.midwaycitysanitaryca.gov](http://www.midwaycitysanitaryca.gov).

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

**MIDWAY CITY SANITARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**Contacting the District's Financial Manager**

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

**MIDWAY CITY SANITARY DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 53,875,111
Restricted - Cash Held by Escrow for Retentions Payable	142,992
Accounts Receivable	290,203
Taxes Receivable	160,600
Interest Receivable	413,182
Prepaid Items	464,462
Total Current Assets	55,346,550

**NONCURRENT ASSETS**

Capital Assets:	
Not Depreciable	3,763,797
Depreciable, Net	20,157,038
Restricted - Cash and Investments Held by Pension Trust	4,921,961
Net OPEB Asset	529,965
Total Noncurrent Assets	29,372,761
Total Assets	84,719,311

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Amounts from OPEB	1,171,793
Deferred Amounts from Pension Plan	2,134,820
Total Deferred Outflows of Resources	3,306,613

**CURRENT LIABILITIES**

Accounts Payable	559,287
Accrued Expenses	72,069
Retentions Payable	142,992
Compensated Absences, Current Portion	252,197
Total Current Liabilities	1,026,545

**LONG-TERM LIABILITIES**

Compensated Absences, Net of Current Portion	12,181
Net Pension Liability	611,954
Total Long-Term Liabilities	624,135
Total Liabilities	1,650,680

**DEFERRED INFLOWS OF RESOURCES**

Deferred Amounts from OPEB	707,409
Deferred Amounts from Pension Plan	61,731
Total Deferred Inflows of Resources	769,140

**NET POSITION**

Investment in Capital Assets	23,777,843
Restricted:	
Restricted for Pension Benefits	4,310,007
Restricted for OPEB Benefits	529,965
Recycling Outreach and Education (SB 1383)	43,642
Unrestricted	56,944,647
Total Net Position	\$ 85,606,104

See accompanying Notes to Financial Statements.

**MIDWAY CITY SANITARY DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2023**

<b>OPERATING REVENUES</b>	
Service Fees	\$ 7,333,948
Franchise Fees	1,433,867
Permit, Inspection, and Connection Fees	<u>70,487</u>
Total Operating Revenues	<u>8,838,302</u>
<b>OPERATING EXPENSES</b>	
Solid Waste Disposal	6,309,812
General Administration	4,443,102
Sewage Collection	1,840,395
Depreciation	<u>1,465,649</u>
Total Operating Expenses	<u>14,058,958</u>
<b>OPERATING LOSS</b>	<b>(5,220,656)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Property Taxes	5,249,280
Investment Income	1,332,127
Other Revenues	31,564
Loss on Sale of Capital Assets	<u>(4,920)</u>
Total Nonoperating Revenues (Expenses)	<u>6,608,051</u>
<b>CHANGE IN NET POSITION</b>	<b>1,387,395</b>
Net Position - Beginning of Year, as Restated	<u>84,218,709</u>
<b>NET POSITION - END OF YEAR</b>	<b><u><u>\$ 85,606,104</u></u></b>

See accompanying Notes to Financial Statements.

**MIDWAY CITY SANITARY DISTRICT  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Customers	\$ 8,837,128
Cash Paid to Suppliers	(5,382,773)
Cash Paid to Employees for Wages and Benefits	(3,945,190)
Other Cash Receipts	31,564
Net Cash Used by Operating Activities	<u>(459,271)</u>
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Property Taxes Received	<u>5,227,974</u>
Net Cash Provided by Noncapital Financing Activities	5,227,974
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Cash Paid for Acquisition of Capital Assets	<u>(3,854,611)</u>
Net Cash Used by Capital and Related Financing Activities	(3,854,611)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of Investments	(22,507,903)
Proceeds from Sales of Investments	21,574,188
Interest Received on Investments	1,014,214
Net Cash Provided by Investing Activities	<u>80,499</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	994,591
Cash and Cash Equivalents - Beginning of Year	<u>52,880,520</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 53,875,111</u></u>

*See accompanying Notes to Financial Statements.*



**MIDWAY CITY SANITARY DISTRICT  
STATEMENT OF CASH FLOWS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

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

Operating Loss	\$ (5,220,656)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	1,465,649
Other Revenues	31,564
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:	
(Increase) Decrease in:	
Accounts Receivable	(1,174)
Prepaid Items	(299,583)
Net OPEB Asset	1,762,646
Deferred Outflows of Resources from OPEB	(951,342)
Deferred Outflows of Resources from Pension Plan	742,614
Increase (Decrease) in:	
Accounts Payable	79,884
Accrued Expenses	18,549
Compensated Absences	(9,011)
Net Pension Liability	3,380,793
Deferred Inflows of Resources from OPEB	(1,048,113)
Deferred Inflows of Resources from Pension Plan	(411,091)
Total Adjustments	<u>4,761,385</u>
Net Cash Used by Operating Activities	<u>\$ (459,271)</u>

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

Change in Fair Value of Investments	<u>(871,181)</u>
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See accompanying Notes to Financial Statements.

**MIDWAY CITY SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

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

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

Activities of the District include the following:

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

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

**Basis of Presentation**

The accounts of the District are an enterprise fund. An enterprise fund is a proprietary type fund used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**MIDWAY CITY SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Measurement Focus and Basis of Accounting**

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

**Cash and Cash Equivalents**

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

**Investments**

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

**Accounts Receivable**

The District extends credit to customers in the normal course of operations. Management evaluates all accounts receivable and, if it is determined that they are uncollectable, will write off the amounts as a bad debt expense using the specific-identification method. Management has evaluated the accounts and believes that all accounts receivable are fully collectible; therefore, no allowance for doubtful accounts is recorded as of June 30, 2023.

**Prepaid Items**

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

**Capital Assets**

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

**MIDWAY CITY SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Capital Assets (Continued)**

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

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

**Restricted Assets**

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

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

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The category of deferred outflow of resources reported in the statement of net position is related to pension and other postemployment benefits. Deferred outflows on pension and other postemployment benefits are more fully discussed in Notes 7 and 8, respectively.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District's deferred inflows of resources reported on the statement of net position relate to pension and other postemployment benefits, which are more fully discussed in Notes 7 and 8, respectively.

**MIDWAY CITY SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Net Position**

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

**Investment in Capital Assets**

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

**Restricted Net Position**

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

**Unrestricted Net Position**

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

**Net Position Flow Assumption**

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

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

**Operating Revenues and Expenses**

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

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

**MIDWAY CITY SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Operating Revenues and Expenses (Continued)**

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

**Property Taxes**

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

The property tax calendar is as follows:

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

**Compensated Absences**

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

**Pensions**

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

**MIDWAY CITY SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Postemployment Benefits Other Than Pensions (OPEB)**

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

**Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**NOTE 2 CASH AND INVESTMENTS**

**Cash and Investments**

Cash and investments as of June 30, 2023, are classified in the financial statements as follows:

Cash and Cash Equivalents	\$ 53,875,111
Restricted - Cash Held by Escrow for Retentions Payable	142,992
Restricted - Cash and Investments Held by Pension Trust	<u>4,921,961</u>
Total Cash and Investments	<u>\$ 58,940,064</u>

Cash and investments as of June 30, 2023, consist of the following:

Cash on Hand	\$ 300
Deposits with Financial Institutions	1,666,793
Investments	52,351,010
Restricted:	
Investments Held by Pension Trust - CEPPT	<u>4,921,961</u>
Total Cash and Investments	<u>\$ 58,940,064</u>

**MIDWAY CITY SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

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

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

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

N/A - Not Applicable

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing over time as necessary to provide the cash flows and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2023.

LAIF	Less than One Year
CalTRUST Investment Pool - Medium-Term Fund	\$ 50,905,629
Restricted - Held by Pension Trust:	1,445,381
CEPPT - Mutual Funds	4,921,961
Total investments	<u>\$ 57,272,971</u>



**MIDWAY CITY SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments with the CalTRUST Investment Pool are rated AA by Standard and Poor's, while investments with LAIF and CEPPT are not rated.

**Concentration of Credit Risk**

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

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

**Custodial Credit Risk**

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

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Any deposits in excess of depository insurance limits at the end of the year are collateralized by securities held at the depository financial institution's trust department. As of June 30, 2023, all the District's deposits with financial institutions were covered by federal depository insurance limits or were held in collateralized accounts.

**MIDWAY CITY SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Investment in State Investment Pool**

The District is a voluntary participant in LAIF, which is regulated by the California Government Code under the oversight of the treasurer of the state of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's prorata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**Investment in CalTRUST Investment Pool**

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

**MIDWAY CITY SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Restricted Cash and Investments – Pension Trust**

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

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

**Fair Value Measurements**

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

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

**MIDWAY CITY SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 CAPITAL ASSETS**

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

	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023
Capital Assets, Not Depreciated:				
Land	\$ 92,948	\$ -	\$ -	\$ 92,948
	<u>352,235</u>	<u>3,318,614</u>	<u>-</u>	<u>3,670,849</u>
Total Capital Assets, Not Depreciated	445,183	3,318,614	-	3,763,797
Capital Assets, Being Depreciated:				
Building and Improvements	1,024,974	-	(118,565)	906,409
Lift Stations	5,582,673	-	-	5,582,673
Gravity Lines and Force Mains	17,818,984	-	-	17,818,984
Resident Containers	857,689	-	-	857,689
Refuse CNG Station & Facilities	3,459,268	-	-	3,459,268
Refuse Trucks	4,561,685	457,450	-	5,019,135
Other Vehicles	1,412,062	40,221	-	1,452,283
Other Equipment	1,020,695	38,326	-	1,059,021
Total Capital Assets, Being Depreciated	35,738,030	535,997	(118,565)	36,155,462
Less Accumulated Depreciation for:				
Building and Improvements	(946,199)	(56,693)	113,645	(889,247)
Lift Stations	(1,881,881)	(189,550)	-	(2,071,431)
Gravity Lines and Force Mains	(5,396,919)	(237,586)	-	(5,634,505)
Resident Containers	(314,486)	(85,769)	-	(400,255)
Refuse CNG Station & Facilities	(1,070,648)	(179,665)	-	(1,250,313)
Refuse Trucks	(3,353,375)	(519,115)	-	(3,872,490)
Other Vehicles	(894,314)	(140,480)	-	(1,034,794)
Other Equipment	(788,598)	(56,791)	-	(845,389)
Total Accumulated Depreciation	(14,646,420)	(1,465,649)	113,645	(15,998,424)
Total Capital Assets, Being Depreciated, Net	21,091,610	(929,652)	(4,920)	20,157,038
Capital Assets, Net	<u>\$ 21,536,793</u>	<u>\$ 2,388,962</u>	<u>\$ (4,920)</u>	<u>\$ 23,920,835</u>

**NOTE 4 LONG-TERM LIABILITIES**

Long-term liabilities consist of the following at June 30, 2023:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year	Due in More Than One Year
Compensated Absences	<u>\$ 273,389</u>	<u>\$ 243,186</u>	<u>\$ (252,197)</u>	<u>\$ 264,378</u>	<u>\$ 252,197</u>	<u>\$ 12,181</u>

**MIDWAY CITY SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 DESIGNATIONS OF NET POSITION**

The designated balances of unrestricted net position established by the board of directors as of June 30, 2023, are as follows:

Vehicle Replacement	\$ 3,577,570
Lift (Pump) Station and Sewer Lines	30,793,481
Orange County, Midway City Reserve	2,037,549
Buildings, Equipment, and Facilities	3,819,885
Clean Natural Gas Fueling Facilities	1,947,820
Emergencies and Contingencies	1,445,381
Operating	9,513,536
Total Designations	<u>53,135,222</u>
Undesignated Net Position	3,809,425
Total Unrestricted Net Position	<u>\$ 56,944,647</u>

**NOTE 6 DEFINED BENEFIT PENSION PLAN**

**Plan Description**

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

**Benefits Provided**

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

**MIDWAY CITY SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Benefits Provided (Continued)**

Plan provisions and benefits in effect at June 30, 2022 (measurement date), are summarized as follows:

	Miscellaneous		
	Tier I Prior to July 1, 2009	Tier II On or After July 1, 2009	Tier III - PEPRA On or After January 1, 2013
Hire Date			
Benefit Formula	3.0%@60	2%@55	2%@62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	50 - 67	50 - 67	52 - 67
Monthly Benefits, as a % of Eligible Compensation	2.0% to 3.0%	1.426% to 2.418%	1.0% to 2.5%
Required Employee Contribution Rates	8.00%	7.00%	6.75%
Required Employer Contribution Rates:			
Normal Cost Rate	15.250%	10.870%	7.470%
Payment of Unfunded Liability	\$ 14,706	\$ 297	\$ 1,904

**Contributions**

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

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

As of fiscal year ended June 30, 2023, the District reported a net pension liability for its proportionate share of the net pension liability of the pension plan as follows:

	Proportionate Share of the Net Pension Liability
Miscellaneous	<u>\$ 611,954</u>

**MIDWAY CITY SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

The District's net pension liability for the plan is measured as the proportionate share of the net pension liability. The net pension liability of the pension plan was measured as of June 30, 2022. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for the pension plan as of the measurement dates ended June 30, 2021 and 2022, was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2021	-0.14582%
Proportion - June 30, 2022	0.01308%
Change - Increase (Decrease)	<u>0.15890%</u>

For the year ended June 30, 2023, the District recognized a pension expense of \$3,982,095. At fiscal year ended June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to Measurement Date	\$ 269,778	\$ -
Differences Between Actual and Expected Experience	12,290	(8,231)
Changes in Assumptions	62,707	-
Changes in Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	1,677,950	(53,500)
Net Differences Between Projected and Actual Earnings on Plan Investments	112,095	-
Total	<u>\$ 2,134,820</u>	<u>\$ (61,731)</u>

An amount of \$269,778 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.

**MIDWAY CITY SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 642,762
2025	667,685
2026	424,302
2027	68,562
2028	-
Thereafter	-

**Actuarial Assumptions**

The total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with standard update procedures used to roll forward the total pension liability to June 30, 2022. The total pension liability was based on the following assumptions:

Valuation Date	<u>Miscellaneous</u>
Measurement Date	June 30, 2021
Actuarial Cost Method	June 30, 2022
Actuarial Assumptions:	Entry-Age Normal Cost Method
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	(1)
Mortality Rate Table	(2)
Postretirement Benefit Increase	(3)

(1) Varies by entry age and service.

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

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



**MIDWAY CITY SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Long-Term Expected Rate of Return**

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

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

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

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return (a) (b)</u>
Global Equity - Cap-weighted	30.00 %	4.54%
Global Equity - Non-Cap-weighted	12.00	3.84%
Private Equity	13.00	7.28%
Treasury	5.00	0.27%
Mortgage-backed Securities	5.00	0.50%
Investment Grade Corporates	10.00	1.56%
High Yield	5.00	2.27%
Emerging Market Debt	5.00	2.48%
Private Debt	5.00	3.57%
Real Assets	15.00	3.21%
Leverage	(5.00)	-0.59%
Total	<u>100.00 %</u>	

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

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

**Discount Rate**

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

**MIDWAY CITY SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

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

	<u>1% Decrease (5.90%)</u>	<u>Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
Net Pension Liability (Asset)	\$ 3,284,205	\$ 611,954	\$ (1,586,645)

**Change in Assumptions**

The discount rate and long-term rate of return decreased from 7.15% to 6.90% and the inflation rate decreased from 2.50% to 2.30% from the measurement date June 30, 2021 to June 30, 2022.

**Pension Plan Fiduciary Net Position**

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

**Payable to the Pension Plan**

At June 30, 2023, the District had \$-0- of contributions payable to the pension plan as required for the year ended June 30, 2023.

**MIDWAY CITY SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**Plan Description**

The District, through an agent multiple employer defined benefit plan, provides retiree medical (including prescription drug benefits) coverage to eligible retirees and their eligible dependents through the CalPERS Health Program. The District pays the monthly premium for the retired employee, the employee's spouse, and any surviving spouse, subject to a maximum per retiree and spouse. The monthly cap for 2023 and 2022 was \$1,875. The District's contribution will continue for the lifetime of the retiree and any surviving eligible spouse. Eligibility for retiree medical benefits is based on age, service, and the receipt of monthly pension payments from CalPERS.

**Employees Covered**

As of the June 30, 2021, actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	19
Inactive Employees Entitled but not Receiving Benefits	7
Active Employees	27
Total	<u>53</u>

**Contributions**

The plan and its contribution requirements are established by District policy and may be amended by the board of directors. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2023, the District's contributions included unreimbursed retiree premium payments of \$178,924 and an implied subsidy of \$35,025, thereby resulting in payments of \$213,949. Due to the funded status of this plan, the actuarially determined contribution did not result in any payments needed for the trust.

**Net OPEB Liability (Asset)**

The District's net OPEB liability (asset) was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation dated June 30, 2021, rolled forward using standard update procedures to the measurement date of June 30, 2022.

**MIDWAY CITY SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**Actuarial Assumptions**

The total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions and applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal Cost Method, Level Percent of Pay
Actuarial Assumptions:	
Discount Rate and Expected Long-Term:	
Investment Rate of Return	6.15%
Inflation	2.50%
Projected Salary Increase	3.00% per Year
Health Care Cost Trend Rates	5.7%, Decreasing to 4% by 2076 and Later
Termination and Service Retirement Rates	CalPERS Experience Study Report Issued December 2017
Mortality	Derived from CalPERS Experience Study; improvement using MacLeod Watts Scale 2020

The actuarial assumptions used in the June 30, 2021 valuation were based on a standard set of assumptions that the actuary has used for similar valuations, and modified as appropriate for the District.

**Long-Term Expected Rate of Return**

The expected long-term return on trust assets was derived from information published by CalPERS for CERBT Strategy 1. CalPERS determined its return using a building-block method and best-estimate ranges of expected future real rates of return for each major asset class (expected returns, net of OPEB plan investment expense and inflation). The target allocation and best estimates of geometric real rates of return published by CalPERS for each major class are split for years 1-5 and years 6-20, which is summarized in the following table as of June 30, 2022. The returns in years 6-20 were assuming to continue in later years.

**MIDWAY CITY SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**Long-Term Expected Rate of Return (Continued)**

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

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

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.15%. The projection of cash flows used to determine the discount rate assumed that the District's contributions would be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on the plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Changes of Assumptions**

From the measurement date June 30, 2021 to June 30, 2022, the discount rate was decreased from 6.75% to 6.15%, reflecting updated long-term rates of return provided by CalPERS in March 2022.

**Change of Benefit Terms**

There was no change of benefit terms.

**MIDWAY CITY SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**Changes in the Net OPEB Liability (Asset)**

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

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
<b>Balance - June 30, 2021</b>			
(Measurement Date)	\$ 4,849,797	\$ 7,142,408	\$ (2,292,611)
Changes for the Year:			
Service Cost	171,620	-	171,620
Interest on the Total OPEB Liability	333,422	-	333,422
Changes in Assumptions	406,611	-	406,611
Contribution - Employer	-	97,558	(97,558)
Net Investment Income	-	(946,753)	946,753
Administrative Expenses	-	(1,798)	1,798
Benefit Payments	(163,678)	(163,678)	-
Net Changes	<u>747,975</u>	<u>(1,014,671)</u>	<u>1,762,646</u>
<b>Balance - June 30, 2022</b>			
(Measurement Date)	<u>\$ 5,597,772</u>	<u>\$ 6,127,737</u>	<u>\$ (529,965)</u>

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

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

	1% Decrease (5.15%)	Discount Rate (6.15%)	1% Increase (7.15%)
Net OPEB Liability (Asset)	\$ 262,997	\$ (529,965)	\$ (1,182,802)

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

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

	1% Decrease (4.70%) Decreasing to 3.00%	Current Health Care Cost Trend Rates (5.70%) Decreasing to 4.00%	1% Increase (6.70%) Decreasing to 5.00%
Net OPEB Liability (Asset)	\$ (1,253,779)	\$ (529,965)	\$ 364,045

**MIDWAY CITY SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

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

For the year ended June 30, 2023, the District recognized OPEB income of \$22,860. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ 213,949	\$ -
Differences Between Actual and Expected Experience	-	(686,765)
Changes in Assumptions	446,869	(20,644)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	510,975	-
Total	\$ 1,171,793	\$ (707,409)

An amount of \$213,949 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30,	Amount
2024	\$ (46,892)
2025	(52,914)
2026	10,671
2027	281,299
2028	17,426
Thereafter	40,845

**Payable to the OPEB Plan**

At June 30, 2023, the District had no outstanding amount of contributions to the OPEB plan as required for the year ended June 30, 2023.

**MIDWAY CITY SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 RISK MANAGEMENT**

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

At June 30, 2023, the District's insurance coverages were as follows:

Property Loss – Building and business personal property insured for a total property value of \$10,054,640 with a \$1,000 deductible per occurrence limited to insurable value and subject to various per occurrence and/or aggregate sublimits as noted in the policy.

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

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

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

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

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

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

Auto Physical Damage – Insured for a total property value of \$6,441,363 with a \$1,000 deductible per occurrence.

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

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



**MIDWAY CITY SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 RISK MANAGEMENT (CONTINUED)**

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

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

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

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

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

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

**NOTE 9 COMMITMENTS AND CONTINGENCIES**

**Litigation**

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

**NOTE 10 RESTATEMENT**

Net Position, at June 30, 2022, as previously reported	\$ 84,373,462
Restatement to correct fiscal year 2021-2022 pension contributions to exclude employee contributions included in the calculation of deferred outflows of resources, contributions subsequent to the measurement date, that should only include employer contributions	<u>(154,753)</u>
Net Position, at June 30, 2022, as restated	<u>\$ 84,218,709</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

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

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

**NOTES TO SCHEDULE**

Benefit Changes:

There Were no Changes in Benefits.

Changes in Assumptions:

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

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

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

There Were no Changes in Assumptions.

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

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

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

Inflation was Reduced from 2.75% to 2.50%.

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

There Were no Significant Changes in Assumptions.

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

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

\* Fiscal Year 2015 was the First Year of Implementation, Therefore Only Nine Years are Shown.

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

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

**NOTES TO SCHEDULE**

Benefit Changes:

There Were no Changes in Benefits.

Changes in Assumptions:

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

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

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

There Were no Changes in Assumptions.

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

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

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

Inflation was Reduced from 2.75% to 2.50%.

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

There Were no Significant Changes in Assumptions.

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

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

\* Fiscal Year 2015 was the First Year of Implementation, Therefore Only Nine Years are Shown.

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

Fiscal Year-End	June 30, 2023	June 30, 2022 (a)	June 30, 2021	June 30, 2020
Contractually Required Contribution (Actuarially Determined)	\$ 269,778	\$ 255,160	\$ 257,924	\$ 726,722
Contributions in Relation to the Actuarially Determined Contributions	<u>(269,778)</u>	<u>(255,160)</u>	<u>(413,927)</u>	<u>(726,722)</u>
Contribution Deficiency (Excess)	-	-	(156,003)	-
Covered Payroll	\$ 2,214,503	1,978,586	1,977,383	1,892,394
Contributions as a Percentage of Covered Payroll	12.18%	12.90%	20.93%	38.40%

**NOTES TO SCHEDULE**

Valuation Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017
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**Methods and Assumptions  
Used to Determine**

**Contribution Rates:**

Actuarial Cost Method	Entry Age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Market Value	Market Value	Market Value
Inflation	2.300%	2.500%	2.500%	2.625%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	6.90% (3)	7.00% (3)	7.00% (3)	7.25% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

(1) Level Percentage of Payroll, Closed

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

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

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

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

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

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

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

**NOTES TO SCHEDULE**

Valuation Date

6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
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**Methods and Assumptions**

Used to Determine

**Contribution Rates:**

Actuarial Cost Method

Amortization Method

Asset Valuation Method

Entry age	Entry age	Entry age	Entry age	Entry age
(1)	(1)	(1)	(1)	(1)
Market Value	Market Value	Market Value	Market Value	15 Year Smoothed Market Method

Inflation

Salary Increases

Investment Rate of Return

Retirement Age

Mortality

2.75%	2.75%	2.75%	2.75%	2.75%
(2)	(2)	(2)	(2)	(2)
7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
(4)	(4)	(4)	(4)	(4)
(5)	(5)	(5)	(5)	(5)

(1) Level Percentage of Payroll, Closed

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

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

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

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

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

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

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

**NOTES TO SCHEDULE**

Benefit Changes:  
 There Were no Changes in Benefits.

Changes in Assumptions:  
 From Measurement Date June 30, 2017 to June 30, 2018: None.  
 From Measurement Date June 30, 2018 to June 30, 2019:  
 The Probabilities of Retirement, Termination, and Mortality Have Been Changed from the 2014 CalPERS OPEB Assumptions Model to the 2017 CalPERS OPEB Assumptions Model.  
 From Measurement Date June 30, 2019 to June 30, 2020: None.  
 From Measurement Date June 30, 2020 to June 30, 2021: Inflation rate decreased from 2.75% to 2.50% and salary increases changed from 3.25% to 3.00%.

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

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

**NOTES TO SCHEDULE**

**Valuation Date**

Methods and Assumptions Used to Determine Contribution Rates:

Single and Agent Employers

Amortization Method

Asset Valuation Method

Inflation

Salary Increases

Discount Rate and Investment Rate of Return

Mortality

6/30/2021	6/30/2021	6/30/2021	6/30/2019	6/30/2019	6/30/2017	6/30/2017
Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Level % of Pay Market	Level % of Pay Market	Level % of Pay Market	Level % of Pay Market	Level % of Pay Market	Level % of Pay Market	Level % of Pay Market
2.50%	2.50%	2.75%	2.75%	2.75%	2.75%	2.75%
3.00%	3.00%	3.25%	3.25%	3.25%	3.25%	3.25%
6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%
(c)	(c)	(b)	(b)	(b)	(a)	(a)

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

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

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

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





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

Board of Directors  
Midway City Sanitary District  
Westminster, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Midway City Sanitary District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Midway City Sanitary District's basic financial statements, and have issued our report thereon dated January 10, 2024.

***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of finding and response as item 2023-001 that we consider to be a material weakness.

***Report on Compliance and Other Matters***

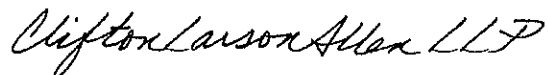
As part of obtaining reasonable assurance about whether Midway City Sanitary District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

***District's Response to Finding***

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

***Purpose of This Report***

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



**CliftonLarsonAllen LLP**

Irvine, California  
January 10, 2024

**Midway City Sanitary District  
Schedule of Finding and Response  
June 30, 2023**

**Finding 2023-001**

**Condition:** The District included both employer and employee pension contributions in the amount reported for pension related deferred outflows of resources, contributions subsequent to the measurement date in the fiscal year ended June 30, 2022. This amount should only include employer contributions.

**Criteria or specific requirement:** GASB 68, paragraph 57, states that contributions to the pension plan from the employer subsequent to the measurement date of the collective net pension liability and before the end of the employer's reporting period should be reported as a deferred outflow of resources related to pensions.

**Effect:** A restatement of the prior period was made to reduce the pension related deferred outflows of resources, contributions subsequent to the measurement date by \$154,754 to result in an amount that only includes employer contributions.

**Cause:** The District included both employer and employee contributions in the schedule of pension related deferred outflows, contributions subsequent to the measurement date.

**Repeat Finding:** This is not a repeat finding.

**Recommendation:** We recommend the District implement policies and procedures to ensure that only employer contributions are included in the calculation of pension related deferred outflows of resources, contributions subsequent to the measurement date.

**View of responsible officials and planned corrective actions:** Management agrees with the findings, and has implemented procedures to ensure that only employer contributions are included in the calculation of pension related deferred outflows of resources, contributions subsequent to the measurement date.

**MIDWAY CITY SANITARY DISTRICT**

**APPROPRIATIONS LIMIT WORKSHEET NO. 6**

**INDEPENDENT ACCOUNTANTS' REPORT  
ON AGREED-UPON PROCEDURES APPLIED TO  
APPROPRIATIONS LIMIT WORKSHEET NO. 6**

**YEAR ENDED JUNE 30, 2023**

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

Board of Directors  
Midway City Sanitary District  
Westminster, California

We have performed the procedures enumerated below on the accompanying Appropriations Limit Worksheet No. 6 of Midway City Sanitary District (the District) for the year ended June 30, 2023. The District's management is responsible for the Appropriations Limit Worksheet No. 6.

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

The procedures and the associated findings are as follows:

- a. We obtained the completed Appropriations Limit Worksheet No. 6 for the year ended June 30, 2023, and compared the limit and annual adjustment factors included in that worksheet to the limit and annual adjustment factors that were adopted by resolution of the Board of Directors. We also compared the population and inflation options included in the aforementioned worksheet to those that were selected by a recorded vote of the Board of Directors.

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

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

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

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

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

Board of Directors  
Midway City Sanitary District

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

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

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

**CliftonLarsonAllen LLP**

Irvine, California

**MIDWAY CITY SANITARY DISTRICT  
 APPROPRIATIONS LIMIT WORKSHEET NO. 6  
 YEAR ENDED JUNE 30, 2023**

Appropriations Limit for Fiscal Year Ended June 30, 2022 (see Note 2)		\$	7,574,495
Adjustments Factors for the Fiscal Year Ended June 30, 2023 (see Note 2):			
Inflation Factor (Note 3)	Population Factor (Note 4)	Combined Factor	
<u>1.0755000</u>	<u>0.9977000</u>	<u>1.0731000</u>	<u>x 0.0731</u>
Adjustment for Inflation and Population			553,696
Other Adjustments (Note 5)			<u>-</u>
Total Adjustments			<u>553,696</u>
Appropriations Limit for Fiscal Year Ended June 30, 2023		\$	<u><u>8,128,191</u></u>

**MIDWAY CITY SANITARY DISTRICT  
NOTES TO APPROPRIATIONS LIMIT WORKSHEET NO. 6  
JUNE 30, 2023**

**NOTE 1 PURPOSE OF LIMITED PROCEDURES REVIEW**

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

**NOTE 2 METHOD OF CALCULATION**

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

**NOTE 3 INFLATION FACTORS**

A California governmental agency may adjust its appropriations limit by either the percentage change in California per capita personal income from the preceding year (which is supplied by the State Department of Finance), or the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction. The factor adopted by the Midway City Sanitary District for fiscal year 2022-2023 represents the percentage change in California per capita personal income from the preceding year.

**NOTE 4 POPULATION FACTORS**

A California governmental agency may adjust its appropriations limit by either the annual percentage change of the jurisdiction's own population, or the annual percentage change in population in the County where the jurisdiction is located. The factor adopted by the District for fiscal year 2022-2023 represents the annual percentage change in the population in the County where the District is located.

**NOTE 5 OTHER ADJUSTMENTS**

A California governmental agency may be required to adjust its appropriations limit when certain events occur, such as the transfer of responsibility for municipal services to, or from, another governmental agency or private entity. The District had no such adjustments for the year ended June 30, 2023.



AGENDA ITEM #9B

Date: January 16, 2024  
To: Board of Directors  
From: Robert Housley, General Manager  
Prepared by: James H. Eggart, General Counsel  
Subject: Resolution No. 2024-01

A Resolution of the Board of Directors of the Midway City Sanitary District of Orange County, California, Revising the Policies and Procedures of the Board of Directors

**BACKGROUND**

The Board of Directors previously adopted Policies and Procedures applicable to the conduct of the business by the Board in order to expedite the transaction of the business of the Board in an orderly fashion. The Board amends its Policies and Procedures from time to time to reflect new policies or changes in the law. The Board Policies and Procedures were last amended in 2020.

**DISCUSSION**

The following substantive updates to the Policies and Procedures of the Board of Directors are proposed.

Section 2 (Meetings)

- The proposed changes clarify that the Board may change the date, time, and/or location of a regular meeting on a case-by-case basis via minute order.
- Express authorization is proposed to be added to clarify that, on a case-by-case basis, a single regular meeting may be cancelled by the General Manager, with the consent of the Board President, due to lack of business or other good cause. Board approval would be required to cancel two (2) or more consecutive regular meetings.
- Appropriate statutory references and language reflecting applicable State law is proposed to be added to the existing provisions regarding Special Meetings, Adjourned Meetings, and Closed Sessions.
- New provisions addressing Teleconference Meetings and Attendance at Meetings are proposed to be added. These provisions are consistent with the District's Policy Regarding Board of Director Absences and Attendance at Meetings adopted by the Board of Directors in 2020.

#### Section 4 (Election of Officers and Powers and Duties of Officers)

- The proposed changes clarify that the Board may elect officers either at the first regular meeting in December of each year or at a special meeting called for such purpose. This reflects past practice of the Board.
- The description of the duties of the President, Secretary and Treasurer have been updated to reflect current actual practice and other Board policies.

#### Section 6 (Board Committees)

- Clarifying language is proposed to be added distinguishing between the rules and legal provisions that apply to standing committees and ad hoc committees, clarifying that one or more members (rather than the chairperson) of a committee shall report at the next regular Board meeting, and providing that if minutes of committee meetings are prepared they shall be provided to the full Board.

#### Section 11 (Agenda for Regular Meetings)

- The proposed changes would update the agenda order and format to reflect the Board's direction that review of expenditures be included on the Consent Calendar and to update the titles of some of the items.
- Language clarifying that the General Manager has flexibility to modify the order and format of agenda items is proposed.
- Specific provisions regarding the Consent Calendar are proposed to be added. Among other things, these new provisions would state that it is the policy of the Board that the list of expenditures determined and verified by the Treasurer to be payable with the annual budget approved by the Board shall be included on the Consent Calendar as a "receive and file" item.

#### Section 13 (Participation by the Public)

- Specific rules of decorum and conduct for members of the public attending Board meetings are proposed, along with provisions for enforcing these rules and for the removal of individuals that disrupt a meeting.

#### Section 14 (Conduct of Meetings)

- Provisions expressly addressing abstentions and tie votes are proposed to be added. These provisions would provide that Board members are encouraged to vote unless disqualified for legal cause, but no member shall be forced to vote. Consistent with the California Attorney General's interpretation of State law, these new provisions would also state that a Board member who abstains from voting without legal cause shall thereby consent that a majority of the members voting may act for the member; Board members abstaining are counted towards quorum, but they are not counted in the tally of votes; and unless a majority vote of the total

membership of the Board of Directors is required pursuant to State law or another policy adopted by the Board, when one or more Board member voluntarily abstains from a vote on a motion, the vote of more than one-half of those members actually voting for or against the item shall be sufficient to approve or disapprove the motion. The provisions would also specify that tie votes shall be lost motions and may be reconsidered.

- Provisions addressing a Board member's obligations in the event of a conflict of interest are also proposed to be added.

#### Section 17 (Board Member Contact with Legal Counsel)

- This section is proposed to be revised to address issues of privilege and confidentiality, to clarify General Counsel's obligations regarding reporting of contact with individual Board Members to the full Board, and to make additional clarifications conforming to standard practice.

#### Section 20 (Rules are Adopted for Procedural Purposes)

- Language is proposed to be added specifying that a person shall not have a claim or cause of action against the District or any of its officers or employees as a result of the Board's failure to strictly follow any of policies and procedures.
- Language is proposed to be added specifying that more specific policies adopted by the Board apply in the event of a conflict with the provisions of the Board Policy and Procedures.

#### **FISCAL IMPACT**

None.

#### **STAFF RECOMMENDATION**

Staff recommends that the Board of Directors review the proposed updates to the Board's Policies and Procedures and either adopted the proposed Resolution adopting Amended Policies and Procedures of the Board of Directors of the Midway City Sanitary District or provide alternate direction.

#### **ATTACHMENTS:**

1. Proposed Resolution and Amended Policies and Procedures (Exhibit A to Resolution)
2. Redline showing proposed changes to Board Policies and Procedures

**RESOLUTION NO. 2024-01**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, REVISING THE POLICIES AND PROCEDURES OF THE BOARD OF DIRECTORS**

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

**WHEREAS**, the Board of Directors (the “Board”) previously established policies and procedures to facilitate the orderly handling of business to come before the Midway City Sanitary District (the “District”); and

**WHEREAS**, the Board now desires to revise and update its policies and procedures.

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

1. The Amended Policies and Procedures of the Board of Directors of the Midway City Sanitary District attached hereto as Exhibit “A” are hereby adopted.
2. A copy of the Policy shall be made available to the public upon request.
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 16th day of January, 2024.

---

Mark Nguyen, President

ATTEST:

---

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. 2024-01 was duly adopted at a meeting of the Board of Directors of said District, held on the 16th day of January, 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 on the 16th day of January, 2024.

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

(District Seal)

\_\_\_\_\_  
STATE OF CALIFORNIA )  
                                  ) ss.  
COUNTY OF ORANGE )

I, Andrew Nguyen, Secretary of Midway City Sanitary District of Orange County, California, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2024-01 passed and adopted by the Board of Directors of said District at a meeting thereof held on the 16th day of January, 2024.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official Seal of said District on the 16th day of January, 2024.

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

(District Seal)

**EXHIBIT “A”**

**AMENDED**

**POLICIES AND PROCEDURES**

**OF**

**THE BOARD OF DIRECTORS**

**OF**

**THE MIDWAY CITY SANITARY DISTRICT**

**JANUARY 16, 2024**

## TABLE OF CONTENTS

	<u>Page</u>
Section 1: Scope.....	1
Section 2: Meetings .....	1
A. Regular Meetings.....	1
B. Special Meetings.....	2
C. Emergency Meetings .....	2
D. Adjourned Meetings .....	2
E. Closed Session .....	2
F. Teleconference Meetings.....	3
G. Attendance at Meetings.....	3
Section 3: Quorum for Conduct of Business.....	4
Section 4: Election of Officers and Powers and Duties of Officers.....	4
A. President.....	4
B. President Pro Tem .....	5
C. Secretary.....	5
D. Treasurer.....	5
E. Secretary/Treasurer Pro Tem.....	5
Section 5: Decorum in Debate .....	5
Section 6: Board Committees .....	6
Section 7: Appointment to Outside Boards and Committees .....	6
Section 8: Appointment of Recording Secretary Who Shall Also Serve as Clerk of the Board .....	6
Section 9: Items to be Considered by the Board.....	8

Section 10:	Staff Reports.....	8
Section 11:	Agenda for Regular Meetings .....	9
	A.    Format.....	9
	B.    Consent Calendar.....	10
	C.    Action on Items Not Appearing on Agenda .....	10
Section 12:	Distribution of Agendas.....	11
Section 13:	Participation by the Public.....	11
	A.    Persons Addressing the Board.....	11
	B.    Decorum and Rules of Conduct.....	12
	C.    Enforcement and Removal of Disruptive Individuals.....	12
Section 14:	Conduct of Meetings.....	13
	A.    Legal Officer.....	13
	B.    Obtaining the Floor and Making Motions.....	13
	C.    Voting.....	13
	D.    Failure to Vote/Abstentions .....	13
	E.    Closing or Limiting Debate .....	14
	F.    Conflicts of Interest .....	14
Section 15:	Procedure for Consideration of Demands for Corrective Action .....	14
	A.    Requirement of Written Demand.....	14
	B.    Consideration of Corrective Action.....	14
	C.    Implementing Corrective Action .....	15
	D.    Alternative Demand Procedure .....	15
Section 16:	Reading Papers .....	15



Section 17: Board Member Contact with Legal Counsel.....	16
Section 18: Adoption of Reports .....	16
Section 19: Amendments.....	16
Section 20: Rules are Adopted for Procedural Purposes.....	16

# **POLICIES AND PROCEDURES OF THE BOARD OF DIRECTORS**

## **MIDWAY CITY SANITARY DISTRICT**

January 16, 2024

### **Section 1: Scope.**

These procedures apply to the conduct of the business by the Board of Directors of the Midway City Sanitary District. It is the intent of the Board that all of these procedures be implemented in compliance with the provisions of the Ralph M. Brown Act, Government Code Sections 54950 through 54963, inclusive, as amended from time to time (hereinafter the "Brown Act").

### **Section 2: Meetings.**

#### **A. Regular Meetings**

Regular meetings of the Board will be held on the first Tuesday and the third Tuesday of each month at 5:30 P.M., at the District offices located at 14451 Cedarwood Avenue, Westminster, CA 92683. The standing date, time, and/or location of Regular meetings may be changed by separate resolution of the Board without the necessity of amending these Procedures. On a case-by-case basis, the date, time, and/or location of a future regular meeting may be changed by the Board by resolution or minute order. Notice of the regular meeting shall be delivered to the Board of Directors personally or by any other means at least 72 hours prior to the time for the meeting.

On a case-by-case basis, a regular meeting may be cancelled by the General Manager, with the consent of the Board President, due to lack of business or other good cause. Notice of a meeting cancellation shall be provided to the Board of Directors and the public in the same manner as notice of a regular meeting. Two (2) or more consecutive regular meetings may not be cancelled without action by a majority of the Board of Directors at a duly called regular or special meeting.

At least 72 hours before a regular meeting, an agenda for the meeting shall be posted in a location freely accessible to the public and on the District's website. Any person may request that a copy of the agenda, or a copy of all documents constituting the agenda packet, for any meeting of the Board of Directors be mailed to the requesting person. The requested documents are to be mailed at the time the agenda is posted or, if unavailable upon posting of the agenda, upon distribution to all or a majority of the Board Members. Any request for mailed copies of agendas or agenda packets shall be valid for the calendar year in which the request is filed and must be renewed following January 1 of each year. The Board of Directors may separately establish a fee for mailing the agenda or agenda packet, which fee shall not exceed the cost of providing the service. If agendas or documents constituting the agenda packet are requested in electronic format, the agendas

and documents shall, if available in such format, be provided pursuant to the time frames identified above.

B. Special Meetings

Special meetings may be called by the President or three (3) members of the Board from time to time, as necessary. Notice of the special meeting shall be provided to the Board of Directors, and to each local newspaper of general circulation and radio or television station requesting notice, personally or by any other means at least 24 hours prior to the time for the meeting. Notice of a special meeting may be dispensed with as to any Board member who at or prior to the time the meeting convenes files with the Recording Secretary a written waiver of notice or who is actually present at the meeting at the time it convenes. No other business except that which is contained in the notice shall be conducted. A special meeting shall not be called regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits, of a local agency executive, as defined in Government Code Section 3511.1(d).

C. Emergency Meetings

The Board may hold an emergency meeting without complying with notice and posting requirements in those emergency situations set forth in Government Code Section 54956.5. The presiding officer, or designee, shall telephone each local newspaper of general circulation and radio and television station that has requested notice of special meetings at least one hour prior to the emergency meeting and notify them of the emergency meeting.

D. Adjourned Meetings

Any meeting may be adjourned to a time and place specified in accordance with Government Code Section 54955. Any adjourned meeting is part of a regular meeting or a special meeting, as appropriate.

E. Closed Session

The Board may hold closed sessions during a regular or special meeting, or at any time otherwise authorized by law, to consider or hear any matter which it is authorized by State law to hear or consider in closed session. During closed session, the Board may exclude any person or persons which it is authorized by State law to exclude from a closed session. No minutes of the proceedings of the Board during a closed session are required. In order to preserve the confidentiality of closed session discussions, no audio or video recordings of closed session meetings shall be made in the absence of a valid court order issued pursuant to Government Code Section 54960. Statements made and documents distributed or discussed in closed session are privileged from disclosure. No disclosure of any statement made in closed session or document protected from disclosure will be made by any Board member or by District staff, except as disclosure is authorized or required by applicable law.

#### F. Teleconference Meetings

The Board of Directors may conduct teleconferenced meetings pursuant to the Brown Act in accordance with Government Code Section 54953 and other applicable policies of the Board of Directors.

A Board member may participate in any meeting of the Board of Directors or a standing Committee by teleconference in accordance with Government Code Section 54953(b) when the member is unable to attend in person. Unless otherwise authorized by the Board, a member may exercise this option no more than twice in a calendar year. This limitation shall not apply to meetings held via teleconference during a proclaimed state of emergency pursuant to Government Code Section 54953(e).

A member who wishes to participate in a Board meeting via teleconference shall notify the General Manager at least five (5) days in advance of the meeting in question so that arrangements can be made. Except as otherwise authorized pursuant to Government Code Section 54953, the location of the teleconference must be noted on the agenda and open to the public, and the agenda shall be posted at this location.

When a Board member is participating by teleconference, vote will be by roll call only.

The Board member participating by teleconference, along with any members of the public present at the teleconference location, must be able to hear the comments of and speak to all those present at the meeting, and all those present at the meeting must be able to hear the comments of and speak to such absent Board member contemporaneously. In the event it is determined by the presiding officer that either the absent Board member cannot be heard by those present at the meeting or those present at the meeting cannot be heard by the absent Board member, the teleconference shall be terminated, and the absent Board member shall not be permitted to vote.

Except for meetings held entirely via teleconference during a proclaimed state of emergency pursuant to Government Code Section 54953(e), a meeting of the Board of Directors may not be chaired by teleconference. In accordance with State law, during the teleconference, at least a quorum of the members of the Board shall participate from locations within the boundaries of the District.

#### G. Attendance at Meetings

Members of the Board of Directors shall comply with the District's Policy Regarding Board of Director Absences and Attendance at Meetings. It is the responsibility of members to make every effort to attend meetings. Unless there is good cause for absence, each Board member is expected to attend all regular and special meetings of the Board. In those instances where a member will be unable to attend a scheduled Board meeting, the member should notify the Board, through the General Manager, as soon as the member reasonably anticipates that he/she will not be able to

attend and the reason for the absence. Unless it is not reasonably practicable to do so, the member should provide at least 48 hours advance notice of an anticipated absence. If the General Manager receives advance notice from a member that he/she will be absent from a scheduled Board meeting, the General Manager shall advise the Board of the member's absence and the reason given for the absence.

**Section 3: Quorum for Conduct of Business.**

Three (3) members will be a quorum sufficient to conduct business. A majority vote of the members present is required for any action in the absence of statutory provision to the contrary.

**Section 4: Election of Officers and Powers and Duties of Officers.**

At the first regular meeting in December of each year, or at a special meeting called for said purpose, a President, President Pro Tem, a Secretary, a Treasurer and a Secretary/Treasurer Pro Tem to serve in the absence of the Secretary or Treasurer shall be elected by a majority vote by the Board from its members, who shall serve at the pleasure of the Board and until successors are elected. It is the policy of the Board that officer positions be rotated so that the same individual does not serve in the same officer position either for more than two (2) consecutive years or for more than two (2) years during any single elective term as Director.

The President, when present, will preside at all meetings of the Board. The President Pro Tem will preside in the absence of the President. In the event neither the President nor the President Pro Tem is in attendance, but a quorum is present, the Secretary shall conduct the affairs of the meeting, and shall have the powers attendant to the President for the conduct of the meeting.

A. President

The President is charged with the following duties:

(1) To open the meeting at the scheduled time, by taking the chair and calling members to order; (2) to announce the business presently pending before the Board in the order in which it is to be acted upon; (3) to state and to put to vote all questions which are regularly moved; (4) to announce the result of the vote; (5) to represent the Board at social functions or designate a Board member to do so; (6) to approve the Board agenda in conjunction with the Manager and General Counsel; (7) to execute, along with the Secretary, all Resolutions adopted by the Board; (8) to execute, along with the Secretary, all contracts approved by the Board (except for contracts entered into and/or executed by the General Manager or his or her designee pursuant to express authorization of the Board); (9) to review and recommend action by the Board on recommendations by the Treasurer pertaining to requests by Board members for compensation and/or reimbursement for expenses pertaining to attendance at meetings, events, or activities other than those meetings, events, or activities for which compensation or reimbursement

of expenses has already been pre-approved by the Board; and (10) to perform such other acts as are expressly authorized by the Board.

The underlying duty of the President is to subserve the will of the Board and to facilitate the expression of the Board's deliberations.

The President will notify the Secretary who will keep a record of the times when the President will not be available to discharge the duties of President as are prescribed by law and by the Board.

B. President Pro Tem

The President Pro Tem, in the absence of the President, is authorized to perform such duties as are prescribed for the President by law or by the Board.

C. Secretary

The Secretary is to execute, along with the President, all Resolutions and all contracts approved by the Board (except for contracts entered into and/or executed by the General Manager or his or her designee pursuant to express authorization of the Board).

D. Treasurer

The Treasurer is to review and verify that payment of all expenditures of the District made without prior Board approval are within the annual budget approved by the Board, and to review and recommend action by the Board on all bills, quarterly financial reports, and requests by Board members for compensation and/or reimbursement for expenses pertaining to attendance at meetings, events, or activities other than those meetings, events, or activities for which compensation or reimbursement of expenses has already been pre-approved by the Board.

E. Secretary/Treasurer Pro Tem

The Secretary/Treasurer Pro Tem, in the absence of the Secretary or Treasurer, is authorized to perform such duties as are prescribed for the Secretary or Treasurer by law or by the Board.

**Section 5: Decorum in Debate.**

All members shall address their remarks to the President and confine them to the business then pending and subject to discussion before the Board, avoiding personalities and reflections upon anyone's motives.

The President is charged with the following duties: (1) to restrain the members within the rules of order; (2) to enforce on all occasions the observance of order and decorum; (3) to inform the members when necessary, on a point of order or practice.

**Section 6: Board Committees.**

The Board may establish Committees and appoint members thereto by Board resolution or minute order. Each Committee may select such methods for study of the matters under its jurisdiction as it determines appropriate, subject to any limitations imposed on the Committee by the Board.

Committees may be either (1) standing Committees, which have a continuing subject matter jurisdiction or a meeting schedule fixed by formal action of the Board or other law, or (2) ad hoc Committees, which are formed for a limited purpose and duration and do not have a fixed meeting schedule. Standing Committees are subject to the Brown Act, and all meetings of standing Committees shall be noticed and conducted in compliance with the Brown Act. No more than two (2) Board members may participate on a Committee at the same time. The Board may appoint a third Board member to serve as an alternate for a standing Committee, who may attend Committee meetings in the absence of one of the regular members. No alternates will be appointed to ad hoc Committees.

One or more members of any Committee shall report on the activity of the Committee to the Board at the next regular meeting of the Board of Directors. All minutes of Committee meetings, if prepared, shall be provided to the Board of Directors.

**Section 7: Appointment to Outside Boards and Committees.**

The following officers shall serve as Board representatives on the following Boards and Committees:

1. Orange County Sanitation District - President or the President's designee.
2. California Special District Association – President, Pro Tem and Secretary, who shall report back to the Board on items discussed and how votes were cast.

As to all other Boards and Committees, the Board may, from time to time, appoint Board members or staff members, as required, to outside Boards and Committees, who shall serve at the pleasure of the Board and until successors are appointed. All existing appointments shall remain in effect unless changed by order of the Board.

**Section 8: Appointment of Recording Secretary Who Shall Also Serve as Clerk of the Board.**

A Recording Secretary shall be appointed by the General Manager and approved by the Board, and shall be an employee of the District, subject to all applicable personnel benefits and rules. The Recording Secretary shall also serve as Clerk of the Board.

The duties of the Recording Secretary are as follows:

1. Accept legal service;
2. Comply with applicable laws, ordinances and procedures governing specific duties or reports, e.g., post notices of regular and adjourned meetings, give notices of meetings as requested, give continuing notification to the Secretary of State and the County Clerk of the names and addresses of Board members, and adhere to rigid time schedules;
3. Arrange for publication of materials needed (i.e., ordinances, notices of public hearings, etc.);
4. Attend all Board meetings and prepare a draft of the minutes of the proceedings. The Recording Secretary will include in the draft of the minutes the arrival and departure time of Directors entering or leaving the meeting while it is in session. The minutes shall generally include only what action was taken and not recite verbatim statements or comments made by Board members or others. Written or oral material shall not be included verbatim in the minutes unless authorized by a majority of the Directors present at the meeting. Directors desiring material to be included verbatim in the minutes shall present such material to the Recording Secretary prior to the commencement of the meeting. The Recording Secretary shall distribute copies of the material to all Directors present, the General Manager and the General Counsel prior to the commencement of the meeting. Changes, if any, to the draft minutes shall be made following consideration by the Board of Directors at a Board meeting. Minutes shall not become official minutes until they are approved by the Board and signed by the Secretary;
5. Prepare and distribute agendas and supporting materials for consideration by the Board. A draft of the agenda shall be provided to the President, the General Manager and the General Counsel prior to preparation of the final agenda;
6. Maintain copies of all documents authorized by the Board in the conduct of its business, as directed by the Board;
7. Maintain indexing/retrieval systems to expedite the research for information on prior Board actions taken;
8. In consultation with the General Manager, research records and respond to queries concerning Board action for public officials through correspondence or personal contact;
9. Maintain a distribution list for the agenda;
10. Maintain a record of absences of Board members;



11. Determine the order of items on the agenda in consultation with others, as appropriate;
12. Assure that material for consideration by the Board is in a format as directed by the Board and the General Manager;
13. Perform other duties as determined by the Board.

**Section 9: Items to be Considered by the Board.**

To assure orderly conduct of the business affairs of the Board, the Recording Secretary, under direction of the General Manager, will prepare agendas listing the items to be considered. Any item may be presented by any member of the Board, the General Manager or the General Counsel, for listing on the agenda for consideration at any future regular meeting.

Items proposed for consideration at a regular meeting will be submitted to the Recording Secretary in final form not later than 2:00 P.M. on the Wednesday preceding the meeting at which the item is to be considered. Except in an emergency, items proposed for consideration at a special meeting will be submitted to the Recording Secretary not later than thirty-six (36) hours in advance of the special meeting. The Recording Secretary will not accept agenda material offered after the time set for receipt, except as instructed by the General Manager and approved by the President.

The procedures for handling all matters to come before the Board shall be as set forth in the Brown Act and the terms of this Resolution.

The final agenda shall be posted at a location freely accessible to the public and on the District's website, not less than 72 hours before the date and time of the noticed meeting. Items of business not included in the final posted agenda may be considered by the Board pursuant to the provisions of California Government Code Section 54954.2.

**Section 10: Staff Reports.**

Written staff reports shall generally be required for agenda items; provided, however, that items determined by the General Manager to be routine may not require a written staff report to be printed as part of the agenda. In this case, an oral report may be made to the Board.

Departments shall, insofar as is practical, consult with other departments and offices as may be appropriate relative to the particular subject before submitting a staff report for consideration by the Board such that necessity for referral shall be minimized.

All supporting information for an item to be considered will be presented to the Recording Secretary at the same time as the staff report to which it refers.

## **Section 11: Agenda for Regular Meetings.**

The agenda shall contain a brief general description of each item to be transacted or discussed. No action shall be taken by the Board on any item not appearing on a posted agenda, subject to the exceptions listed in the Brown Act. The agenda shall indicate the time and location of the meeting and be posted by the Recording Secretary as required by law. The Recording Secretary shall certify a copy of each agenda as to the fact, time and place of posting.

The order of placement of items on the agenda will be at the discretion of the General Manager, in consultation with the Board President, who will refer to the approved agenda format as a guide, and also consult with Directors, General Counsel or staff, as necessary, relative to suggested order. Any item on the printed agenda may be taken out of order, following an adopted motion of the Board to do so, or by order of the presiding officer with the consent of a majority of the Board members present.

Placement of consultants and General Counsel shall be prioritized and shall be scheduled at the beginning of the meeting. General Counsel will report at the time President and General Manager report or sooner if presence is not required for entire meeting.

### **A. Format**

The format or order of items to be listed on the agenda for each regular meeting shall be as follows, except as otherwise directed by the Board of Directors or the General Manager, who is authorized to exercise flexibility in establishing the order of agenda items to be considered at each meeting:

1. Call to Order/Pledge of Allegiance and Invocation;
2. Roll Call;
3. Public Comments;
4. Approval of Minutes;
5. Reports;
6. Consent Calendar (including review of expenditures);
7. Old Business;
8. New Business;
9. Informational Items;

10. Board Concerns and Comments;
  11. General Manager and Staff Concerns and Comments;
  12. General Counsel Concerns and Comments;
  13. Closed Sessions;
  14. Adjournment.
- B. Consent Calendar

The Consent Calendar shall be comprised of items of a routine or generally uncontested nature. Each item proposed for consideration as part of the Consent Calendar shall be described on the notice and agenda posted for the meeting. It is the policy of the Board that the list of expenditures determined and verified by the Treasurer to be payable within the annual budget approved by the Board shall be included on the Consent Calendar as a "receive and file" item. Items on the Consent Calendar may be acted on by the Board of Directors in a single motion. The approval of the Consent Calendar shall signify the approval of each matter or recommendation included therein. Upon request of any Board member, or upon the request of a member of the public made through the presiding officer, an item may be removed from the Consent Calendar for separate discussion and/or action.

C. Action on Items Not Appearing on Agenda

The Board may take action on items of business not appearing on the posted agenda in accordance with the Brown Act, including under any of the following conditions:

1. Upon a determination by a majority vote of all members that an emergency situation exists as defined in Government Code section 54956.5;
2. Upon a determination by a two-thirds vote, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the District subsequent to the agenda being posted;
3. The item was posted for a prior meeting of the Board occurring not more than five (5) calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.
4. Under such other circumstances as provided and authorized by the Brown Act.

If an item not on the agenda is proposed for consideration, facts supporting the determination that the matter comes within one of the foregoing provisions shall be stated on the record.

**Section 12: Distribution of Agendas.**

The Recording Secretary will be responsible for the distribution of the agendas, and will maintain the distribution list therefor.

Except in unusual circumstances as determined by the President and General Manager, agenda packages prepared for the Board members and members of the press will be delivered no later than 5:00 P.M. on the Friday preceding the regular meeting. The General Manager shall immediately notify all Board members of such unusual circumstances. Agendas, and if available, agenda materials for special meetings shall be distributed at least twenty-four (24) hours before the meeting.

**Section 13: Participation by the Public.**

A. Persons Addressing the Board

Members of the public shall have the right to address the Board on any item within the subject matter jurisdiction of the Board. However, if an item is to be set or is set for a public hearing, it shall be out of order for any member of the public to address the Board on such item prior to the public hearing thereon, unless the remarks are confined to the specific question of the appropriateness of setting said item for a public hearing. At the time the public hearing is held, the item to be considered will be opened for public participation. After the public hearing is closed, no member of the general public may address the Board regarding the item on which the public hearing is held, unless the public hearing is reopened by the President.

Any person desiring to address the Board shall, upon recognition by the presiding officer, proceed to address the Board for a period up to three (3) minutes. The speaker may, but is not required to, state his or her name and address for the record. All remarks and questions shall be addressed to the Board as a whole and not to a member thereof. No questions shall be asked of a Board member or a member of the staff without first obtaining the permission of the presiding officer. Impromptu personal points of order, comments, objections, or questions shall not be recognized, and if they persist, after the presiding officer has warned of the offense, a member of the public engaging in such disorderly conduct shall, at the discretion of the presiding officer or a majority of the Board, be subject to ejection from the meeting. The presiding officer may in the exercise of his or her discretion allow a speaker to exceed the three (3) minute limit for public comments, subject to Board direction otherwise.

## B. Decorum and Rules of Conduct

Each person addressing the Board of Directors shall do so in an orderly manner and shall not engage in any conduct that disrupts, disturbs, or otherwise impedes the orderly conduct of the meeting. Members of the audience shall not engage in disorderly or boisterous conduct, including the utterance of loud, threatening, or abusive language, clapping, whistling, yelling, stamping of feet, or other acts which actually disturb, disrupt, impede, or otherwise render the orderly conduct of the Board meeting infeasible. Any person who so disrupts the meeting may, at the discretion of the presiding officer or a majority of the Board, after the presiding officer has warned of the offense, be subject to ejection from that meeting.

Placards, signs, and posters may be brought into the Board room unless such objects disturb, disrupt, impede, or otherwise render the orderly conduct of the Board meeting infeasible, or block the view of any other person in attendance, in which case such placard, sign, or poster shall, at the discretion of the presiding officer or a majority of the Board of Directors present, be moved to a different location or removed from the Board room.

Photographs, audiotapes, and videotapes may be taken from the rear of the Board room or from any seat within the Board room, so long as such activity does not disrupt and disturb the audience, public speakers, and Board members and interfere with the orderly conduct of the meeting.

Within the Board room, all cell phone and pager ringers shall be turned off; no talking on cell phones is allowed; and all electronic equipment shall be operated in a manner which does not emit sound or disturb other members of public or disrupt the orderly conduct of the meeting.

## C. Enforcement and Removal of Disruptive Individuals

The presiding officer may remove, or cause the removal of, an individual for disrupting the meeting. "Disrupting" means engaging in behavior during a meeting that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting and includes, but is not limited to, a failure to comply with reasonable and lawful regulations adopted by the Board of Directors or any other law and/or engaging in behavior that constitutes a true threat of force. Prior to removing an individual, the presiding officer shall warn the individual that their behavior is disrupting the meeting and that their failure to cease their behavior may result in their removal. The presiding officer or their designee may then remove the individual if they do not promptly cease their disruptive behavior. The required warning does not apply to any true threat of force behavior.

In the event that a meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting infeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the presiding officer may order the meeting room cleared and continue in session. Only matters appearing on

the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. The presiding officer may readmit an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.

An individual that willfully disrupts, disturbs, or otherwise impedes the orderly conduct of a meeting of the Board of Directors may be deemed to have violated Penal Code Section 403, and a peace officer may be called for assistance when needed to enforce the rules of decorum and/or to remove disruptive individuals.

#### **Section 14: Conduct of Meetings.**

##### **A. Legal Officer**

In any case of ambiguity or uncertainty in the interpretation or application of these Rules to any procedure, the officer presiding may refer such question for advice to the Board's General Counsel who shall be the parliamentarian of the Board. Decisions on such interpretation or application shall rest with the presiding officer, subject to a Board motion to the contrary.

##### **B. Obtaining the Floor and Making Motions**

Any member of the Board wishing to speak, or any member of the public wishing to address the Board, must first obtain the floor by being recognized by the officer presiding. The officer presiding must recognize any member of the Board who seeks the floor when appropriately entitled to address the Board.

Any member of the Board, including the officer presiding, may bring a matter of business properly before the Board by making a motion. Any member, including the officer presiding, except the member making the motion, may second a motion. Once a motion is seconded, it may be opened for discussion and debate.

##### **C. Voting**

After a full opportunity for debate, any member of the Board may call for a vote by a Motion to Call the Question. Otherwise, all votes of the Board shall be by voice vote, except voting upon any ordinance or resolution, which shall be by roll call vote. After every vote the officer presiding shall declare the result, and on all but consensus votes, shall note for the record the number of votes for or against the question and any abstentions. Tie votes shall be lost motions and may be reconsidered.

##### **D. Failure to Vote/Abstentions**

Members are encouraged to vote unless disqualified for legal cause. Self-disqualification, without approval, which results in a tie vote shall be avoided as a means of obstructing Board action, but no member shall be forced to vote. A Board member who

abstains from voting without legal cause shall thereby consent that a majority of the members voting may act for the member. Members abstaining are counted towards quorum, but they are not counted in the tally of votes. Unless a majority vote of the total membership of the Board of Directors is required pursuant to State law or another policy adopted by the Board, when one or more Board member voluntarily abstains from a vote on a motion, the vote of more than one-half of those members actually voting for or against the item shall be sufficient to approve or disapprove the motion.

E. Closing or Limiting Debate

At all times the Board shall endeavor to allow free and open debate. However, there may come times when it becomes necessary to close or limit debate so that action can be taken by the Board. Attached hereto and incorporated herein by this reference is a Chart of Related Motions which may be brought to close or limit debate, or to take some other procedural actions as directed by the Board. Motions brought before the Board shall require the voting consensus set forth in the attached Chart and shall take precedence over the main motion where indicated.

F. Conflicts of Interest

Any member who feels they may have a conflict of interest in any matter coming before the Board of Directors shall disclose said interest and disqualify themselves from discussing or voting on the matter. Where it is not clear whether such interest is of a disqualifying nature, the member shall state the facts of the matter to District's General Counsel and request an opinion regarding a conflict prior to the meeting.

**Section 15: Procedure for Consideration of Demands for Corrective Action.**

A. Requirement of Written Demand

Prior to any person commencing a judicial action for injunction or mandamus to declare any action taken by the Board void because of failure to observe Brown Act requirements specified in Government Code Section 54960.1(a), such person must first serve upon the District a written demand describing the alleged violation and demanding corrective action. Such demand must be served upon the Recording Secretary within ninety (90) days of the complained of action unless the action was taken in open session and in violation of Government Code Section 54954.2, in which case the written demand shall be made within thirty (30) days of the complained of action. Failure to serve any such demand within the required period shall result in the loss of any right to challenge any action alleged to have been taken in violation of Sections 54953, 54954.2, 54954.5, 54954.6, 54956 or 54956.5 of the Government Code.

B. Consideration of Corrective Action

Within 30 days of receipt of such a demand, the Board shall (i) cure or correct the challenged action and inform the demanding party in writing of such action or (ii) inform the

demanding party in writing of its decision not to cure or correct. A description of any item so placed on the agenda shall include both consideration of the demand, and the possibility of corrective action by the Board.

In considering such demands, the Board shall first determine by motion whether corrective action should be taken. If no motion to take corrective action is carried, the Recording Secretary shall inform the demanding party in writing of the Board's decision not to cure or correct the challenged action.

C. Implementing Corrective Action

If a motion to take corrective action passes, the officer presiding may entertain a motion implementing corrective action. Any motion implementing corrective action shall address the concerns raised in the consideration of corrective action. The motion implementing corrective action may include a motion to rescind prior action taken, as appropriate. Passage of a motion to rescind invalidates prior action only as of the time of the passage of the motion, and not from the date of the initial action. A motion implementing corrective action resulting from a written demand is out of order if the action complained of: (a) was in connection with the sale or issuance of notes, bonds, or other evidences of indebtedness, or any contract, agreement, or incident thereto; or (b) gave rise to a contractual obligation upon which a party has, in good faith, detrimentally relied. In any event, the Board shall notify the party making the demand in writing of its decision to take corrective action, and shall describe any corrective action taken. This notice shall be given to the demanding party as soon as possible after the meeting, but in no event more than thirty (30) days after receipt of the demand.

D. Alternative Demand Procedure

Pursuant to Government Code Section 54960.2, a person seeking to determine the applicability of the Brown Act to a past action of the Board shall first submit a cease and desist letter by postal mail or facsimile transmission to the Recording Secretary. The cease and desist letter shall be submitted within nine (9) months of the alleged violation. Within thirty (30) days of receipt, the Board may respond to the cease and desist letter.

Should the Board determine to issue an unconditional commitment to cease and desist from and not to repeat the past action alleged to constitute a Brown Act violation, the unconditional commitment shall be approved by the Board in open session at a regular or special meeting as a separate item of business and not on the consent calendar portion of the agenda.

**Section 16: Reading Papers.**

Where papers are laid before the Board, every Director has the right to read them before being compelled to vote on them. Whenever a Director asks for the reading of such paper for information, and not for delay, the officer presiding should direct it to be read.



**Section 17: Board Member Contact with Legal Counsel.**

Members of the Board are encouraged to ask questions of the District's legal counsel of a non-privileged and non-confidential nature during Board meetings. By doing so, the full Board and staff benefit from the discussion. The Board President or an individual Board Member may individually contact or meet with the District's legal counsel concerning liability matters, questions pertaining to compliance with State law or District policies, or other privileged matters; however, legal counsel may report the nature and/or substance of any such contact or meeting to the full Board, in his or her discretion, subject to the limitations imposed by the Brown Act. All legal research projects or matters of significant legal analysis should be authorized by a majority of the Board or the General Manager, as applicable, not by an individual Board Member.

**Section 18: Adoption of Reports.**

In order to make the findings and action of a Committee become the acts of the Board, a motion should be made to adopt, accept, or agree to the report.

**Section 19: Amendments.**

These Rules of Procedure may be amended from time to time by resolution passed by a majority of the Board.

**Section 20: Rules are Adopted for Procedural Purposes.**

The foregoing rules are adopted to expedite the transaction of the business of the Board in an orderly fashion, and are to be liberally construed to effectuate this purpose. The failure to observe strictly such rules shall not affect the jurisdiction of the Board or invalidate any action taken at a meeting that is otherwise held in conformity with law, nor shall any person have a claim or cause of action against the District or any of its officers or employees as a result of any such failure. Except as otherwise provided by law, these rules or any one thereof may be suspended by order of the Board. Robert's Rules of Order shall not apply to meetings of the Board. If conflict(s) exist(s) between these procedures and another Resolution adopted by the Board of Directors relating to a specific matter, then the other Resolution regarding that specific matter shall prevail.

## CHART OF RELATED MOTIONS

<b>MOTION</b>	<b>DESCRIPTION</b>	<b>PRECEDENCE</b>	<b>DEBATABLE</b>	<b>VOTE REQUIRED</b>	<b>COMMENT</b>
<b>a.</b> Motion to call the question.	Terminates debate and brings matter under debate to an immediate vote.	Over main motion.	No.	2/3 vote of the Board Members present.	Must be made and seconded without interrupting one who has the floor.
<b>b.</b> Motion to limit debate.	Limits the amount of time allowed each speaker or appoints a time in which debate on the main motion will close and question be put to vote.			2/3 vote of the Board Members present.	
<b>c.</b> Motion to table.	Suspends discussion on main motion without setting a definite time for reconsideration.	Over main motion.	No.	Same as required to pass main motion.	
<b>d.</b> Motion to take from the table.	Resumes discussion of a tabled motion.	Over main motion.	No.	Majority	Must be made at same or next meeting as motion to table.
<b>e.</b> Motion to continue to a time certain.	Continues main motion to a specified future date.	Over main motion.	Yes.	Majority	

<b>MOTION</b>	<b>DESCRIPTION</b>	<b>PRECEDENCE</b>	<b>DEBATABLE</b>	<b>VOTE REQUIRED</b>	<b>COMMENT</b>
<b>f.</b> Motion to commit or refer.	Refers question to a commission or committee for further study.	Over main motion.	Yes.	Majority	May contain specific instructions for committee and a date certain for reconsideration. If not, restored by a motion to take from the table.
<b>g.</b> Motion to amend.	Amends main motion or any amendment thereto.	Over main motion and motion to amend, if amendment is being amended	Yes.	Majority	(1) Only one motion to amend any given amendment. (2) All amendments and amendments to amendments must be resolved before main motion can be voted upon.
<b>h.</b> Motion to rescind.	Rescinds any prior action taken.	Takes its precedence from the motion whose passage is the subject of rescission.	Yes.	Same as required to pass the initial motion.	(1) Does not void action from the beginning, only from point of rescission. (2) Motion is out of order if it relates to contract upon which another party has detrimentally relied, relates to issuance of bonded indebtedness or relates to the collection of any tax.
<b>i.</b> Motion for recess.	Temporarily adjourns the meeting.	Over main and any pending subsidiary motion.	Yes.	Majority	Should specify period of recess.
<b>j.</b> Motion to adjourn.	Ends meeting.	Over main and any pending subsidiary motion.	No.	Majority	

<b>MOTION</b>	<b>DESCRIPTION</b>	<b>PRECEDENCE</b>	<b>DEBATABLE</b>	<b>VOTE REQUIRED</b>	<b>COMMENT</b>
<b>k.</b> Point of order.	Requires officer presiding to enforce rules of the Board.	Over main and pending subsidiary motion.	Yes.	Determined by officer presiding.	Decision of officer presiding is final, unless overturned by motion to appeal the ruling.
<b>l.</b> Motion to appeal the ruling.	Challenges a procedural ruling by the officer presiding.	Over main and any pending subsidiary motion or other motion of privileges, order or convenience.	Yes.	Majority	Officer presiding may participate in debate.
<b>m.</b> Motion to depart from the agenda.	Allows consideration of matters in an order different from that appearing on the agenda.	Over main motion and any pending subsidiary motion.	Yes.	Majority	
<b>n.</b> Motion to reconsider.	Reconsiders action taken previously to correct errors or consider previously unavailable information.	Takes its precedence from the motion upon which reconsideration is requested.	Yes.	Majority	(1) Cannot be made on quasi-judicial matters or matters requiring a noticed public hearing. (2) Can only be made by a member who voted with the previously prevailing side. (3) May be made at the same meeting or a subsequent meeting subject to the same restrictions as a motion to rescind.

**EXHIBIT “A”**

**AMENDED**

**POLICIES AND PROCEDURES**

**OF**

**THE BOARD OF DIRECTORS**

**OF**

**THE MIDWAY CITY SANITARY DISTRICT**

**FEBRUARY 4~~JANUARY 16~~, 20204**

## TABLE OF CONTENTS

	<u>Page</u>
Section 1: Scope.....	1
Section 2: Meetings .....	1
A. Regular Meetings.....	1
B. Special Meetings.....	<a href="#">24</a>
C. Emergency Meetings .....	2
D. Adjourned Meetings .....	2
E. Closed Session .....	2
F. <a href="#">Teleconference Meetings.....</a>	<a href="#">3</a>
G. <a href="#">Attendance at Meetings.....</a>	<a href="#">3</a>
Section 3: Quorum for Conduct of Business.....	<a href="#">24</a>
Section 4: Election of Officers and Powers and Duties of Officers.....	<a href="#">24</a>
A. President.....	<a href="#">34</a>
B. President Pro Tem .....	<a href="#">35</a>
C. Secretary.....	<a href="#">35</a>
D. Treasurer.....	<a href="#">35</a>
E. Secretary/Treasurer Pro Tem.....	<a href="#">45</a>
Section 5: Decorum in Debate .....	<a href="#">45</a>
Section 6: Board Committees .....	<a href="#">46</a>
Section 7: Appointment to Outside Boards and Committees .....	<a href="#">46</a>
Section 8: Appointment of Recording Secretary Who Shall Also Serve as Clerk of the Board .....	<a href="#">56</a>
Section 9: Items to be Considered by the Board.....	<a href="#">68</a>

Section 10: Staff Reports.....	<a href="#">68</a>
Section 11: Agenda for Regular Meetings .....	<a href="#">79</a>
A. Format.....	<a href="#">79</a>
B. <a href="#">Consent Calendar</a> .....	<a href="#">10</a>
BC. Action on Items Not Appearing on Agenda .....	<a href="#">810</a>
Section 12: Distribution of Agendas.....	<a href="#">811</a>
Section 13: Participation by the Public.....	<a href="#">911</a>
A. <a href="#">Persons Addressing the Board</a> .....	<a href="#">11</a>
B. <a href="#">Decorum and Rules of Conduct</a> .....	<a href="#">12</a>
C. <a href="#">Enforcement and Removal of Disruptive Individuals</a> .....	<a href="#">12</a>
Section 14: Conduct of Meetings.....	<a href="#">913</a>
A. Legal Officer.....	<a href="#">913</a>
B. Obtaining the Floor and Making Motions.....	<a href="#">913</a>
C. Voting.....	<a href="#">103</a>
D. <a href="#">Legal Officer Failure to Vote/Abstentions</a> .....	<a href="#">913</a>
DE. Closing or Limiting Debate .....	<a href="#">104</a>
F. <a href="#">Conflicts of Interest</a> .....	<a href="#">14</a>
Section 15: Procedure for Consideration of Demands for Corrective Action .....	<a href="#">104</a>
A. Requirement of Written Demand.....	<a href="#">104</a>
B. Consideration of Corrective Action.....	<a href="#">104</a>

	C.	Implementing Corrective Action .....	145
	D.	Alternative Demand Procedure .....	145
	Section 16:	Reading Papers .....	145
	Section 17:	Board Member Contact with Legal Counsel.....	162
	Section 18:	Adoption of Reports .....	162
	Section 19:	Amendments.....	162
	Section 20:	Rules are Adopted for Procedural Purposes.....	162



# **POLICIES AND PROCEDURES OF THE BOARD OF DIRECTORS**

## **MIDWAY CITY SANITARY DISTRICT**

January ~~7~~<sup>16</sup>, 202~~4~~<sup>0</sup>

### **Section 1: Scope.**

These procedures apply to the conduct of the business by the Board of Directors of the Midway City Sanitary District. It is the intent of the Board that all of these procedures be implemented in compliance with the provisions of the Ralph M. Brown Act, Government Code Sections 54950 through 54963, inclusive, as amended from time to time (hereinafter the "Brown Act").

### **Section 2: Meetings.**

#### **A. Regular Meetings**

Regular meetings of the Board will be held on the first Tuesday and the third Tuesday of each month at 5:30 P.M., at the District offices located at 14451 Cedarwood Avenue, Westminster, CA 92683. The standing date, time, and/or location of Regular meetings dates may be changed by separate Resolution of the Board without the necessity of amending these Procedures. On a case-by case-basis, the date, time, and/or location of a future regular meeting may be changed by the Board by resolution or minute order. Notice of the regular meeting shall be delivered to the Board of Directors personally or by any other means at least 72 hours prior to the time for the meeting.

On a case-by-case basis, a regular meeting may be cancelled by the General Manager, with the consent of the Board President, due to lack of business or other good cause. Notice of a meeting cancellation shall be provided to the Board of Directors and the public in the same manner as notice of a regular meeting. Two (2) or more consecutive regular meetings may not be cancelled without action by a majority of the Board of Directors at a duly called regular or special meeting.

At least 72 hours before a regular meeting, an agenda for the meeting shall be posted in a location freely accessible to the public and on the District's website. Any person may request that a copy of the agenda, or a copy of all documents constituting the agenda packet, for any meeting of the Board of Directors be mailed to the requesting person. The requested documents are to be mailed at the time the agenda is posted or, if unavailable upon posting of the agenda, upon distribution to all or a majority of the Board Members. Any request for mailed copies of agendas or agenda packets shall be valid for the calendar year in which the request is filed and must be renewed following January 1 of each year. The Board of Directors may separately establish a fee for mailing the agenda or agenda packet, which fee shall not exceed the cost of providing the service. If agendas or documents constituting the agenda packet are requested in electronic format, the agendas

and documents shall, if available in such format, be provided pursuant to the time frames identified above.

B. Special Meetings

Special meetings may be called by the President or three (3) members of the Board from time to time, as necessary. Notice of the special meeting shall be provided to the Board of Directors, and to each local newspaper of general circulation and radio or television station requesting notice, personally or by any other means at least 24 hours prior to the time for the meeting. [Notice of a special meeting may be dispensed with as to any Board member who at or prior to the time the meeting convenes files with the Recording Secretary a written waiver of notice or who is actually present at the meeting at the time it convenes.](#) No other business except that which is contained in the notice shall be conducted. [A special meeting shall not be called regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits, of a local agency executive, as defined in Government Code Section 3511.1\(d\).](#)

C. Emergency Meetings

The Board may hold an emergency meeting without complying with notice and posting requirements in those emergency situations set forth in Government Code Section 54956.5. The presiding officer, or designee, shall telephone each local newspaper of general circulation and radio and television station that has requested notice of special meetings at least one hour prior to the emergency meeting and notify them of the emergency meeting.

D. Adjourned Meetings

Any meeting may be adjourned to a time and place specified [in accordance with Government Code Section 54955.](#) Any adjourned meeting is part of a regular meeting or a special meeting, as appropriate.

E. Closed Session

The Board may hold closed sessions during a regular or special meeting, or at any time otherwise authorized by law, to consider or hear any matter which it is authorized by State law to hear or consider in closed session. During closed session, the Board may exclude any person or persons which it is authorized by State law to exclude from a closed session. No minutes of the proceedings of the Board during a closed session are required. In order to preserve the confidentiality of closed session discussions, no audio or video recordings of closed session meetings shall be made in the absence of a valid court order issued pursuant to Government Code Section 54960. [Statements made and documents distributed or discussed in closed session are privileged from disclosure. No disclosure of any statement made in closed session or document protected from disclosure will be made](#)

by any Board member or by District staff, except as disclosure is authorized or required by applicable law.

#### F. Teleconference Meetings

The Board of Directors may conduct teleconferenced meetings pursuant to the Brown Act in accordance with Government Code Section 54953 and other applicable policies of the Board of Directors.

A Board member may participate in any meeting of the Board of Directors or a standing Committee by teleconference in accordance with Government Code Section 54953(b) when the member is unable to attend in person. Unless otherwise authorized by the Board, a member may exercise this option no more than twice in a calendar year. This limitation shall not apply to meetings held via teleconference during a proclaimed state of emergency pursuant to Government Code Section 54953(e).

A member who wishes to participate in a Board meeting via teleconference shall notify the General Manager at least five (5) days in advance of the meeting in question so that arrangements can be made. Except as otherwise authorized pursuant to Government Code Section 54953, the location of the teleconference must be noted on the agenda and open to the public, and the agenda shall be posted at this location.

When a Board member is participating by teleconference, vote will be by roll call only.

The Board member participating by teleconference, along with any members of the public present at the teleconference location, must be able to hear the comments of and speak to all those present at the meeting, and all those present at the meeting must be able to hear the comments of and speak to such absent Board member contemporaneously. In the event it is determined by the presiding officer that either the absent Board member cannot be heard by those present at the meeting or those present at the meeting cannot be heard by the absent Board member, the teleconference shall be terminated, and the absent Board member shall not be permitted to vote.

Except for meetings held entirely via teleconference during a proclaimed state of emergency pursuant to Government Code Section 54953(e), a meeting of the Board of Directors may not be chaired by teleconference. In accordance with State law, during the teleconference, at least a quorum of the members of the Board shall participate from locations within the boundaries of the District.

#### G. Attendance at Meetings

Members of the Board of Directors shall comply with the District's Policy Regarding Board of Director Absences and Attendance at Meetings. It is the responsibility of members to make every effort to attend meetings. Unless there is good cause for absence, each Board member is expected to attend all regular and special

meetings of the Board. In those instances where a member will be unable to attend a scheduled Board meeting, the member should notify the Board, through the General Manager, as soon as the member reasonably anticipates that he/she will not be able to attend and the reason for the absence. Unless it is not reasonably practicable to do so, the member should provide at least 48 hours advance notice of an anticipated absence. If the General Manager receives advance notice from a member that he/she will be absent from a scheduled Board meeting, the General Manager shall advise the Board of the member's absence and the reason given for the absence.

### **Section 3: Quorum for Conduct of Business.**

Three (3) members will be a quorum sufficient to conduct business. A majority vote of the members present is required for any action in the absence of statutory provision to the contrary.

### **Section 4: Election of Officers and Powers and Duties of Officers.**

At the first regular meeting in December of each year, or at a special meeting called for said purpose, a President, President Pro Tem, a Secretary, a Treasurer and a Secretary/Treasurer Pro Tem to serve in the absence of the Secretary or Treasurer shall be elected by a majority vote as the first order of business by the Board from its members, who shall serve at the pleasure of the Board and until successors are elected. It is the policy of the Board that officer positions be rotated so that the same individual does not serve in the same officer position either for more than two (2) consecutive years or for more than two (2) years during any single elective term as Director.

The President, when present, will preside at all meetings of the Board. The President Pro Tem will preside in the absence of the President. In the event neither the President nor the President Pro Tem is in attendance, but a quorum is present, the Secretary shall conduct the affairs of the meeting, and shall have the powers attendant to the President for the conduct of the meeting.

#### **A. President**

The President is charged with the following duties:

(1) To open the meeting at the scheduled time, by taking the chair and calling members to order; (2) to announce the business presently pending before the Board in the order in which it is to be acted upon; (3) to state and to put to vote all questions which are regularly moved; (4) to announce the result of the vote; (5) to represent the Board at social functions or designate a Board member to do so; (6) to approve the Board agenda in conjunction with the Manager and General Counsel; ~~and~~ (7) to execute, along with the Secretary, all Resolutions adopted by the Board; (8) to execute, along with the Secretary, all contracts approved by the Board (except for contracts entered into and/or executed by the General Manager or his or her designee pursuant to express authorization of the

Board); and (98) to review and recommend action by the Board on requests recommendations by the Treasurer pertaining to requests by Board members for compensation and/or reimbursement for expenses and pertaining to attendance at meetings, events, or activities other than those meetings, events, or activities for which compensation or reimbursement of expenses has already been pre-approved regularly scheduled meetings of the Board or special meetings called by the Board; and (10) to perform such other acts as are expressly authorized by the Board.

The underlying duty of the President is to subserve the will of the Board and to facilitate the expression of the Board's deliberations.

The President will notify the Secretary who will keep a record of the times when the President will not be available to discharge the duties of President as are prescribed by law and by the Board.

B. President Pro Tem

The President Pro Tem, in the absence of the President, is authorized to perform such duties as are prescribed for the President by law or by the Board.

C. Secretary

The Secretary is to execute, along with the President, all Resolutions and all contracts approved by the Board (except for contracts entered into and/or executed by the General Manager or his or her designee pursuant to express authorization of the Board).

D. Treasurer

The Treasurer is to review and verify that payment of all expenditures of the District made without prior Board approval are within the annual budget approved by the Board, and to review and recommend action by the Board on all bills, quarterly financial reports, and requests by Board members for compensation and/or reimbursement for expenses and pertaining to attendance at meetings, events, or activities; other than regularly scheduled meetings of the Board or special meetings called those meetings, events, or activities for which compensation or reimbursement of expenses has already been pre-approved by the Board.

E. Secretary/Treasurer Pro Tem

The Secretary/Treasurer Pro Tem, in the absence of the Secretary or Treasurer, is authorized to perform such duties as are prescribed for the Secretary or Treasurer by law or by the Board.

**Section 5: Decorum in Debate.**

All members shall address their remarks to the President and confine them to the business then pending and subject to discussion before the Board, avoiding personalities and reflections upon anyone's motives.

The President is charged with the following duties: (1) to restrain the members within the rules of order; (2) to enforce on all occasions the observance of order and decorum; (3) to inform the members when necessary, on a point of order or practice.

### **Section 6: Board Committees.**

The Board may establish Committees and appoint members thereto by Board resolution or minute order. Each Committee may select such methods for study of the matters under its jurisdiction as it determines appropriate, subject to any limitations imposed on the Committee by the Board.

Committees may be either (1) standing Committees, which have a continuing subject matter jurisdiction or a meeting schedule fixed by formal action of the Board or other law, or (2) ad hoc Committees, which are formed for a limited purpose and duration and do not have a fixed meeting schedule. Standing Committees are subject to the Brown Act, and all meetings of standing Committees shall be noticed and conducted in compliance with the Brown Act. No more than two (2) Board members may participate on a Committee at the same time. The Board may appoint a third Board member to serve as an alternate for a standing Committee, who may attend Committee meetings in the absence of one of the regular members. No alternates will be appointed to ad hoc Committees.

The Chairperson One or more members of any Committee shall report on the activity of the Committee to the Board at the next regular meeting of the Board of Directors. All minutes of Committee meetings, if prepared, shall be provided to the Board of Directors.

### **Section 7: Appointment to Outside Boards and Committees.**

The following officers shall serve as Board representatives on the following Boards and Committees:

1. Orange County Sanitation District - President or the President's designee.
2. California Special District Association – President, Pro Tem and Secretary, who shall report back to the Board on items discussed and how votes were cast.

As to all other Boards and Committees, the Board may, from time to time, appoint Board members or staff members, as required, to outside Boards and Committees, who shall serve at the pleasure of the Board and until successors are appointed. All existing appointments shall remain in effect unless changed by order of the Board.

**Section 8: Appointment of Recording Secretary Who Shall Also Serve as Clerk of the Board.**

A Recording Secretary shall be appointed by the General Manager and approved by the Board, and shall be an employee of the District, subject to all applicable personnel benefits and rules. The Recording Secretary shall also serve as Clerk of the Board.

The duties of the Recording Secretary are as follows:

1. Accept legal service;
2. Comply with applicable laws, ordinances and procedures governing specific duties or reports, e.g., post notices of regular and adjourned meetings, give notices of meetings as requested, give continuing notification to the Secretary of State and the County Clerk of the names and addresses of Board members, and adhere to rigid time schedules;
3. Arrange for publication of materials needed (i.e., ordinances, notices of public hearings, etc.);
4. Attend all Board meetings and prepare a draft of the minutes of the proceedings. The Recording Secretary will include in the draft of the minutes the arrival and departure time of Directors entering or leaving the meeting while it is in session. The minutes shall generally include only what action was taken and not recite verbatim statements or comments made by Board members or others. Written or oral material shall not be included verbatim in the minutes unless authorized by a majority of the Directors present at the meeting. Directors desiring material to be included verbatim in the minutes shall present such material to the Recording Secretary prior to the commencement of the meeting. The Recording Secretary shall distribute copies of the material to all Directors present, the General Manager and the General Counsel prior to the commencement of the meeting. Changes, if any, to the draft minutes shall be made following consideration by the Board of Directors at a Board meeting. Minutes shall not become official minutes until they are approved by the Board and signed by the Secretary;
5. Prepare and distribute agendas and supporting materials for consideration by the Board. A draft of the agenda shall be provided to the President, the General Manager and the General Counsel prior to preparation of the final agenda;
6. Maintain copies of all documents authorized by the Board in the conduct of its business, as directed by the Board;
7. Maintain indexing/retrieval systems to expedite the research for information on prior Board actions taken;

8. In consultation with the General Manager, research records and respond to queries concerning Board action for public officials through correspondence or personal contact;
9. Maintain a distribution list for the agenda;
10. Maintain a record of absences of Board members;
11. Determine the order of items on the agenda in consultation with others, as appropriate;
12. Assure that material for consideration by the Board is in a format as directed by the Board; and the General Manager;
13. Perform other duties as determined by the Board.

#### **Section 9: Items to be Considered by the Board.**

To assure orderly conduct of the business affairs of the Board, the Recording Secretary, under direction of the General Manager, will prepare agendas listing the items to be considered. Any item may be presented by any member of the Board, the General Manager or the General Counsel, for listing on the agenda for consideration at any future regular meeting.

Items proposed for consideration at a regular meeting will be submitted to the Recording Secretary in final form not later than 2:00 P.M. on the Wednesday preceding the meeting at which the item is to be considered. Except in an emergency, items proposed for consideration at a special meeting will be submitted to the Recording Secretary not later than thirty-six (36) hours in advance of the special meeting. The Recording Secretary will not accept agenda material offered after the time set for receipt, except as instructed by the General Manager and approved by the President.

The procedures for handling all matters to come before the Board shall be as set forth in the Brown Act and the terms of this Resolution.

The final agenda shall be posted at a location freely accessible to the public and on the District's website, not less than 72 hours before the date and time of the noticed meeting. Items of business not included in the final posted agenda may be considered by the Board pursuant to the provisions of California Government Code Section 54954.2.

#### **Section 10: Staff Reports.**

Written staff reports shall generally be required for agenda items; provided, however, that items determined by the General Manager to be routine may not require a written staff



report to be printed as part of the agenda. In this case, an oral report may be made to the Board.

Departments shall, insofar as is practical, consult with other departments and offices as may be appropriate relative to the particular subject before submitting a staff report for consideration by the Board such that necessity for referral shall be minimized.

All supporting information for an item to be considered will be presented to the Recording Secretary at the same time as the staff report to which it refers.

### **Section 11: Agenda for Regular Meetings.**

The agenda shall contain a brief general description of each item to be transacted or discussed. No action shall be taken by the Board on any item not appearing on a posted agenda, subject to the exceptions listed in the Brown Act. The agenda shall indicate the time and location of the meeting and be posted by the Recording Secretary as required by law. The Recording Secretary shall certify a copy of each agenda as to the fact, time and place of posting.

The order of placement of items on the agenda will be at the discretion of the General Manager, in consultation with the Board President, who will refer to the approved agenda format as a guide, and also consult with Directors, General Counsel or staff, as necessary, relative to suggested order. Any item on the printed agenda may be taken out of order, following an adopted motion of the Board to do so, or by order of the presiding officer with the consent of a majority of the Board [members present](#).

Placement of consultants and General Counsel shall be prioritized and shall be scheduled at the beginning of the meeting. General Counsel will report at the time President and General Manager report or sooner if presence is not required for entire meeting.

#### A. Format

The format or order of items to be listed on the agenda [for each regular meeting shall be as follows, except as otherwise directed by the Board of Directors or the General Manager, who is authorized to exercise flexibility in establishing the order of agenda items to be considered at each meeting:](#)

1. Call to Order/Pledge of Allegiance and Invocation;
2. Roll Call;
3. Public Comments;
4. Approval of Minutes;

~~5.~~ Approval of Expenditures;

~~65.~~ Reports;

~~76.~~ Consent Calendar (including review of expenditures);

~~87.~~ Old Business;

~~98.~~ New Business;

~~409.~~ Informational Items;

~~104.~~ Board Concerns and Comments;

~~112.~~ General Manager and Staff Concerns and Comments;

~~123.~~ General Counsel Concerns and Comments;

~~134.~~ Closed Sessions;

~~145.~~ Adjournment.

## B. Consent Calendar

The Consent Calendar shall be comprised of items of a routine or generally uncontested nature. Each item proposed for consideration as part of the Consent Calendar shall be described on the notice and agenda posted for the meeting. It is the policy of the Board that the list of expenditures determined and verified by the Treasurer to be payable within the annual budget approved by the Board shall be included on the Consent Calendar as a "receive and file" item. Items on the Consent Calendar may be acted on by the Board of Directors in a single motion. The approval of the Consent Calendar shall signify the approval of each matter or recommendation included therein. Upon request of any Board member, or upon the request of a member of the public made through the presiding officer, an item may be removed from the Consent Calendar for separate discussion and/or action.

## BC. Action on Items Not Appearing on Agenda

The Board may take action on items of business not appearing on the posted agenda in accordance with the Brown Act, including under any of the following conditions:

1. Upon a determination by a majority vote of all members that an emergency situation exists as defined in Government Code section 54956.5;
2. Upon a determination by a two-thirds vote, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that

there is a need to take immediate action and that the need for action came to the attention of the District subsequent to the agenda being posted;

3. The item was posted for a prior meeting of the Board occurring not more than five (5) calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.
4. Under such other circumstances as provided and authorized by the Brown Act.

If an item not on the agenda is proposed for consideration, facts supporting the determination that the matter comes within one of the foregoing provisions shall be stated on the record.

### **Section 12: Distribution of Agendas.**

The Recording Secretary will be responsible for the distribution of the agendas, and will maintain the distribution list therefor.

Except in unusual circumstances as determined by the President and General Manager, agenda packages prepared for the Board members and members of the press will be delivered no later than 5:00 P.M. on the Friday preceding the regular meeting. The General Manager shall immediately notify all Board members of such unusual circumstances. Agendas, and if available, agenda materials for special meetings shall be distributed at least twenty-four (24) hours before the meeting.

### **Section 13: Participation by the Public.**

#### **A. Persons Addressing the Board**

Members of the public shall have the right to address the Board on any item within the subject matter jurisdiction of the Board. However, if an item is to be set or is set for a public hearing, it shall be out of order for any member of the public to address the Board on such item prior to the public hearing thereon, unless the remarks are confined to the specific question of the appropriateness of setting said item for a public hearing. At the time the public hearing is held, the item to be considered will be opened for public participation. After the public hearing is closed, no member of the general public may address the Board regarding the item on which the public hearing is held, unless the public hearing is reopened by the President.

Any person desiring to address the Board shall, upon recognition by the presiding officer, proceed to address the Board for a period up to three (3) minutes. The speaker may, but is not required to, state his or her name and address for the record. All remarks and questions shall be addressed to the Board as a whole and not to a member thereof. No questions shall be asked of a Board member or a member of the staff without first

obtaining the permission of the presiding officer. Impromptu personal points of order, comments, objections, or questions shall not be recognized, and if they persist, after the presiding officer has warned of the offense, a member of the public engaging in such disorderly conduct shall, at the discretion of the presiding officer or a majority of the Board, be subject to ejection from the meeting. The presiding officer may in the exercise of his or her discretion allow a speaker to exceed the three (3) minute limit for public comments, subject to Board direction otherwise.

#### B. Decorum and Rules of Conduct

Each person addressing the Board of Directors shall do so in an orderly manner and shall not engage in any conduct that disrupts, disturbs, or otherwise impedes the orderly conduct of the meeting. Members of the audience shall not engage in disorderly or boisterous conduct, including the utterance of loud, threatening, or abusive language, clapping, whistling, yelling, stamping of feet, or other acts which actually disturb, disrupt, impede, or otherwise render the orderly conduct of the Board meeting infeasible. Any person who so disrupts the meeting may, at the discretion of the presiding officer or a majority of the Board, after the presiding officer has warned of the offense, be subject to ejection from that meeting.

Placards, signs, and posters may be brought into the Board room unless such objects disturb, disrupt, impede, or otherwise render the orderly conduct of the Board meeting infeasible, or block the view of any other person in attendance, in which case such placard, sign, or poster shall, at the discretion of the presiding officer or a majority of the Board of Directors present, be moved to a different location or removed from the Board room.

Photographs, audiotapes, and videotapes may be taken from the rear of the Board room or from any seat within the Board room, so long as such activity does not disrupt and disturb the audience, public speakers, and Board members and interfere with the orderly conduct of the meeting.

Within the Board room, all cell phone and pager ringers shall be turned off; no talking on cell phones is allowed; and all electronic equipment shall be operated in a manner which does not emit sound or disturb other members of public or disrupt the orderly conduct of the meeting.

#### C. Enforcement and Removal of Disruptive Individuals

The presiding officer may remove, or cause the removal of, an individual for disrupting the meeting. "Disrupting" means engaging in behavior during a meeting that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting and includes, but is not limited to, a failure to comply with reasonable and lawful regulations adopted by the Board of Directors or any other law and/or engaging in behavior that constitutes a true threat of force. Prior to removing an individual, the presiding officer

shall warn the individual that their behavior is disrupting the meeting and that their failure to cease their behavior may result in their removal. The presiding officer or their designee may then remove the individual if they do not promptly cease their disruptive behavior. The required warning does not apply to any true threat of force behavior.

In the event that a meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting infeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the presiding officer may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. The presiding officer may readmit an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.

An individual that willfully disrupts, disturbs, or otherwise impedes the orderly conduct of a meeting of the Board of Directors may be deemed to have violated Penal Code Section 403, and a peace officer may be called for assistance when needed to enforce the rules of decorum and/or to remove disruptive individuals.

#### **Section 14: Conduct of Meetings.**

##### **A. Legal Officer**

In any case of ambiguity or uncertainty in the interpretation or application of these Rules to any procedure, the officer presiding may refer such question for advice to the Board's General Counsel who shall be the parliamentarian of the Board. Decisions on such interpretation or application shall rest with the presiding officer, subject to a Board motion to the contrary.

##### **B. Obtaining the Floor and Making Motions**

Any member of the Board wishing to speak, or any member of the public wishing to address the Board, must first obtain the floor by being recognized by the officer presiding. The officer presiding must recognize any member of the Board who seeks the floor when appropriately entitled to address the Board.

Any member of the Board, including the officer presiding, may bring a matter of business properly before the Board by making a motion. Any member, including the officer presiding, except the member making the motion, may second a motion. Once a motion is seconded, it may be opened for discussion and debate.

##### **C. Voting**

After a full opportunity for debate, any member of the Board may call for a vote by a Motion to Call the Question. Otherwise, all votes of the Board shall be by voice vote, except voting upon any ordinance or resolution, which shall be by roll call vote. After every

vote the officer presiding shall declare the result, and on all but consensus votes, shall note for the record the number of votes for or against the question and any abstentions. Tie votes shall be lost motions and may be reconsidered.

#### D. Failure to Vote/Abstentions

Members are encouraged to vote unless disqualified for legal cause. Self-disqualification, without approval, which results in a tie vote shall be avoided as a means of obstructing Board action, but no member shall be forced to vote. A Board member who abstains from voting without legal cause shall thereby consent that a majority of the members voting may act for the member. Members abstaining are counted towards quorum, but they are not counted in the tally of votes. Unless a majority vote of the total membership of the Board of Directors is required pursuant to State law or another policy adopted by the Board, when one or more Board member voluntarily abstains from a vote on a motion, the vote of more than one-half of those members actually voting for or against the item shall be sufficient to approve or disapprove the motion.

#### ED. Closing or Limiting Debate

At all times the Board shall endeavor to allow free and open debate. However, there may come times when it becomes necessary to close or limit debate so that action can be taken by the Board. Attached hereto and incorporated herein by this reference is a Chart of Related Motions which may be brought to close or limit debate, or to take some other procedural actions as directed by the Board. Motions brought before the Board shall require the voting consensus set forth in the attached Chart and shall take precedence over the main motion where indicated.

#### F. Conflicts of Interest

Any member who feels they may have a conflict of interest in any matter coming before the Board of Directors shall disclose said interest and disqualify themselves from discussing or voting on the matter. Where it is not clear whether such interest is of a disqualifying nature, the member shall state the facts of the matter to District's General Counsel and request an opinion regarding a conflict prior to the meeting.

### **Section 15: Procedure for Consideration of Demands for Corrective Action.**

#### A. Requirement of Written Demand

Prior to any person commencing a judicial action for injunction or mandamus to declare any action taken by the Board void because of failure to observe Brown Act requirements specified in Government Code Section 54960.1(a), such person must first serve upon the District a written demand describing the alleged violation and demanding corrective action. Such demand must be served upon the Recording Secretary within ninety (90) days of the complained of action unless the action was taken in open session and in violation of Government Code Section 54954.2, in which case the written demand

shall be made within thirty (30) days of the complained of action. Failure to serve any such demand within the required period shall result in the loss of any right to challenge any action alleged to have been taken in violation of Sections 54953, 54954.2, 54954.5, 54954.6, 54956 or 54956.5 of the Government Code.

B. Consideration of Corrective Action

Within 30 days of receipt of such a demand, the Board shall (i) cure or correct the challenged action and inform the demanding party in writing of such action or (ii) inform the demanding party in writing of its decision not to cure or correct. A description of any item so placed on the agenda shall include both consideration of the demand, and the possibility of corrective action by the Board.

In considering such demands, the Board shall first determine by motion whether corrective action should be taken. If no motion to take corrective action is carried, the Recording Secretary shall inform the demanding party in writing of the Board's decision not to cure or correct the challenged action.

C. Implementing Corrective Action

If a motion to take corrective action passes, the officer presiding may entertain a motion implementing corrective action. Any motion implementing corrective action shall address the concerns raised in the consideration of corrective action. The motion implementing corrective action may include a motion to rescind prior action taken, as appropriate. Passage of a motion to rescind invalidates prior action only as of the time of the passage of the motion, and not from the date of the initial action. A motion implementing corrective action resulting from a written demand is out of order if the action complained of: (a) was in connection with the sale or issuance of notes, bonds, or other evidences of indebtedness, or any contract, agreement, or incident thereto; or (b) gave rise to a contractual obligation upon which a party has, in good faith, detrimentally relied. In any event, the Board shall notify the party making the demand in writing of its decision to take corrective action, and shall describe any corrective action taken. This notice shall be given to the demanding party as soon as possible after the meeting, but in no event more than thirty (30) days after receipt of the demand.

D. Alternative Demand Procedure

Pursuant to Government Code Section 54960.2, a person seeking to determine the applicability of the Brown Act to a past action of the Board shall first submit a cease and desist letter by postal mail or facsimile transmission to the Recording Secretary. The cease and desist letter shall be submitted within nine (9) months of the alleged violation. Within thirty (30) days of receipt, the Board may respond to the cease and desist letter.

Should the Board determine to issue an unconditional commitment to cease and desist from and not to repeat the past action alleged to constitute a Brown Act violation, the unconditional commitment shall be approved by the Board in open session at a regular or

special meeting as a separate item of business and not on the consent calendar portion of the agenda.

**Section 16: Reading Papers.**

Where papers are laid before the Board, every Director has the right to read them before being compelled to vote on them. Whenever a Director asks for the reading of such paper for information, and not for delay, the officer presiding should direct it to be read.

**Section 17: Board Member Contact with Legal Counsel.**

Members of the Board are encouraged to ask questions of [the District's legal counsel of a non-privileged and non-confidential nature](#) during Board meetings. By doing so, the full Board and staff benefit from the discussion. ~~¶The Board President or an individual Board Member has a concern regarding District compliance with the law or regarding liability matters, the Board Member~~ may individually contact [or meet with the District's legal counsel concerning liability matters, questions pertaining to compliance with State law or District policies, or other privileged matters;](#) however, ~~District's~~ legal counsel ~~shall~~ [may report the nature and/or substance of any such contact or meeting to the full Board, in his or her discretion, subject to the limitations imposed by the Brown Act back to the Board at the next regular Board meeting regarding the inquiry.](#) All legal research projects or matters of significant legal analysis should be authorized by a majority of the Board [or the General Manager, as applicable](#), not [by](#) an individual Board Member.

**Section 18: Adoption of Reports.**

In order to make the findings and action of a Committee become the acts of the Board, a motion should be made to adopt, accept, or agree to the report.

**Section 19: Amendments.**

These Rules of Procedure may be amended from time to time by resolution passed by a majority of the Board.

**Section 20: Rules are Adopted for Procedural Purposes.**

The foregoing rules are adopted to expedite the transaction of the business of the Board in an orderly fashion, and are to be liberally construed to effectuate this purpose. The failure to observe strictly such rules shall not affect the jurisdiction of the Board or invalidate any action taken at a meeting that is otherwise held in conformity with law, [nor shall any person have a claim or cause of action against the District or any of its officers or employees as a result of any such failure.](#) Except as otherwise provided by law, these rules or any one thereof may be suspended by order of the Board. [Robert's Rules of Order shall not apply to meetings of the Board. If conflict\(s\) exist\(s\) between these procedures and another Resolution adopted by the Board of Directors relating to a specific matter, then the other Resolution regarding that specific matter shall prevail.](#)



## CHART OF RELATED MOTIONS

<b>MOTION</b>	<b>DESCRIPTION</b>	<b>PRECEDENCE</b>	<b>DEBATABLE</b>	<b>VOTE REQUIRED</b>	<b>COMMENT</b>
<b>a.</b> Motion to call the question.	Terminates debate and brings matter under debate to an immediate vote.	Over main motion.	No.	2/3 vote of the Board Members present.	Must be made and seconded without interrupting one who has the floor.
<b>b.</b> Motion to limit debate.	Limits the amount of time allowed each speaker or appoints a time in which debate on the main motion will close and question be put to vote.			2/3 vote of the Board Members present.	
<b>c.</b> Motion to table.	Suspends discussion on main motion without setting a definite time for reconsideration.	Over main motion.	No.	Same as required to pass main motion.	
<b>d.</b> Motion to take from the table.	Resumes discussion of a tabled motion.	Over main motion.	No.	Majority	Must be made at same or next meeting as motion to table.
<b>e.</b> Motion to continue to a time certain.	Continues main motion to a specified future date.	Over main motion.	Yes.	Majority	

<b>MOTION</b>	<b>DESCRIPTION</b>	<b>PRECEDENCE</b>	<b>DEBATABLE</b>	<b>VOTE REQUIRED</b>	<b>COMMENT</b>
<b>f.</b> Motion to commit or refer.	Refers question to a commission or committee for further study.	Over main motion.	Yes.	Majority	May contain specific instructions for committee and a date certain for reconsideration. If not, restored by a motion to take from the table.
<b>g.</b> Motion to amend.	Amends main motion or any amendment thereto.	Over main motion and motion to amend, if amendment is being amended	Yes.	Majority	(1) Only one motion to amend any given amendment. (2) All amendments and amendments to amendments must be resolved before main motion can be voted upon.
<b>h.</b> Motion to rescind.	Rescinds any prior action taken.	Takes its precedence from the motion whose passage is the subject of rescission.	Yes.	Same as required to pass the initial motion.	(1) Does not void action from the beginning, only from point of rescission. (2) Motion is out of order if it relates to contract upon which another party has detrimentally relied, relates to issuance of bonded indebtedness or relates to the collection of any tax.
<b>i.</b> Motion for recess.	Temporarily adjourns the meeting.	Over main and any pending subsidiary motion.	Yes.	Majority	Should specify period of recess.
<b>j.</b> Motion to adjourn.	Ends meeting.	Over main and any pending subsidiary motion.	No.	Majority	

<b>MOTION</b>	<b>DESCRIPTION</b>	<b>PRECEDENCE</b>	<b>DEBATABLE</b>	<b>VOTE REQUIRED</b>	<b>COMMENT</b>
<b>k.</b> Point of order.	Requires officer presiding to enforce rules of the Board.	Over main and pending subsidiary motion.	Yes.	Determined by officer presiding.	Decision of officer presiding is final, unless overturned by motion to appeal the ruling.
<b>l.</b> Motion to appeal the ruling.	Challenges a procedural ruling by the officer presiding.	Over main and any pending subsidiary motion or other motion of privileges, order or convenience.	Yes.	Majority	Officer presiding may participate in debate.
<b>m.</b> Motion to depart from the agenda.	Allows consideration of matters in an order different from that appearing on the agenda.	Over main motion and any pending subsidiary motion.	Yes.	Majority	
<b>n.</b> Motion to reconsider.	Reconsiders action taken previously to correct errors or consider previously unavailable information.	Takes its precedence from the motion upon which reconsideration is requested.	Yes.	Majority	(1) Cannot be made on quasi-judicial matters or matters requiring a noticed public hearing. (2) Can only be made by a member who voted with the previously prevailing side. (3) May be made at the same meeting or a subsequent meeting subject to the same restrictions as a motion to rescind.

AGENDA ITEM #9C

Date: January 16, 2024

To: Board of Directors

From: Robert Housley, General Manager

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

Subject: Consider Approval of 12-Month Media Plan

**BACKGROUND**

During the October 4, 2023, Outreach Committee meeting Staff was directed to create a 12-month Media Plan (Plan) for the upcoming calendar year. This Plan will focus on targeted outreach on social media, print, TV, radio, and other platforms. At the time of the Outreach meeting, the Midway City Sanitary District (District) had Facebook, Instagram, monthly radio programs, access to Westminster TV, and a YouTube channel. Many of these platforms have not been used on a regular basis or with any planned/targeted purpose. The goal of the 12-month Plan is to have a layout of media outreach for the entire year to maximize all platforms being used while also accommodating the budget for outreach. This media plan includes but is not limited to Facebook, Instagram, radio programs, print ads, YouTube, TV, and digital newsletters. The Plan has been broken down monthly with platforms being used in a strategic manner. The cost associated with each platform has also been outlined to help provide information on where funds are being spent and if they could be moved around for use in other areas of the plan.

**DISCUSSION**

This Plan is for the period of January 2024 through December 2024. The purpose of the Plan is to create a framework for targeted outreach for the entire year by providing relevant and important educational information, about the district and its services, events, and programs. Once it is decided which platforms will be utilized, Staff will begin creating material that will be used on the platforms based on upcoming events, information that needs to be shared with the public, and continued engagement. As the Plan is used throughout the year, Staff and the Outreach Committee will evaluate each month its effectiveness and make recommendations and adjustments as needed. A major benefit of adopting an annual Plan is that Staff can use the plan to guide outreach efforts effectively, efficiently and in advance. It will also provide a framework for when certain outreach should be made. The proposed Plan is a list of options available for the District to utilize. Some of the platforms listed have been used in the past, while others will be new to District outreach efforts. The current Plan is a menu of platforms available for the District to utilize for this year. The platforms listed can be easily modified as desired.

Last fiscal year the District spent \$28,797.30 on media outreach. This fiscal year we have spent \$21,720 with a budget of \$60,000.

**FISCAL IMPACT**

The fiscal impact outlined here is if the Board were to approve the Plan as presented would be:

January – June	\$47,136-\$48,636
July – December	\$45,152-\$46,652
Total for 2024	\$92,288-\$95,288

**STAFF RECOMMENDATION**

Staff recommends that the Board of Directors discuss and approve the attached 12-month Media Plan with any additional recommendations.

**ATTACHMENTS:**

Proposed 12-month Media Plan

- 2 Vietnamese radio programs
- 3 Instagram posts each week
- 3 Facebook posts each week
- 3 X/Twitter posts each week
- 1 Spectrum advertisement
- YouTube video
- Hulu advertising
- Spanish radio/print

January

1

- 2 Vietnamese radio programs
- 3 Instagram posts each week
- 3 Facebook posts each week
- 3 X/Twitter posts each week
- 1 Spectrum advertisement
- Open House video
- Spanish radio/print

February

2

- 2 Vietnamese radio programs
- 3 Instagram posts each week
- 3 Facebook posts each week
- 3 X/Twitter posts each week
- 1 Spectrum advertisement
- YouTube video
- Westminster TV video
- Spanish radio/print
- Digital newsletter

March

3

- 2 Vietnamese radio programs
- 3 Instagram posts each week
- 3 Facebook posts each week
- 3 X/Twitter posts each week
- 1 Spectrum advertisement
- Ad in Westminster Recreation guide
- Spanish radio/print

April

4

- 2 Vietnamese radio programs
- 3 Instagram posts each week
- 3 Facebook posts each week
- 3 X/Twitter posts each week
- 1 Spectrum advertisement
- Westminster TV video
- Hulu advertising
- Spanish radio/print

May

5

- 2 Vietnamese radio programs
- 3 Instagram posts each week
- 3 Facebook posts each week
- 3 X/Twitter posts each week
- 1 Spectrum advertisement
- 85th Anniversary video
- Spanish radio/print
- Digital newsletter

June

6

- 2 Vietnamese radio programs
- 3 Instagram posts each week
- 3 Facebook posts each week
- 3 X/Twitter posts each week
- 1 Spectrum advertisement
- YouTube video
- Westminster TV video
- Spanish radio/print

July

7

- 2 Vietnamese radio programs
- 3 Instagram posts each week
- 3 Facebook posts each week
- 3 X/Twitter posts each week
- 1 Spectrum advertisement
- Ad in Westminster Recreation guide
- Spanish radio/print

August

8

- 2 Vietnamese radio programs
- 3 Instagram posts each week
- 3 Facebook posts each week
- 3 X/Twitter posts each week
- 1 Spectrum advertisement
- YouTube video
- Hulu advertising
- Spanish radio/print
- Digital newsletter

September

9

- 2 Vietnamese radio programs
- 3 Instagram posts each week
- 3 Facebook posts each week
- 3 X/Twitter posts each week
- 1 Spectrum advertisement
- Westminster TV video
- Spanish radio/print

October

10

- 2 Vietnamese radio programs
- 3 Instagram posts each week
- 3 Facebook posts each week
- 3 X/Twitter posts each week
- 1 Spectrum advertisement
- YouTube video
- Spanish radio/print

November

11

- 2 Vietnamese radio programs
- 3 Instagram posts each week
- 3 Facebook posts each week
- 3 X/Twitter posts each week
- 1 Spectrum advertisement
- Ad in Westminster Recreation guide
- Spanish radio/print
- Digital newsletter

December

12

- Vietnamese radio \$4000
- Instagram \$0
- Facebook \$0
- X/Twitter \$0
- Spectrum \$1350
- YouTube \$500-1000
- Hulu \$500-1000
- Spanish radio \$1800
- Total \$8,150-8,650

January

1

- Vietnamese radio \$4000
- Instagram \$42 Boost 1X
- Facebook \$42 Boost 1X
- X/Twitter \$0
- Spectrum \$1350
- Open House video \$700
- Spanish radio \$1800
- Total \$7,934

February

2

- Vietnamese radio \$4000
- Instagram \$84 Boost 2X
- Facebook \$84 Boost 2X
- X/Twitter \$0
- Spectrum \$1350
- YouTube \$500-1000
- Westminster TV \$0
- Spanish radio \$1800
- Digital Newsletter \$500
- Total \$8,318 - 8,818

March

3

- Vietnamese radio \$4000
- Instagram \$0
- Facebook \$0
- X/Twitter \$0
- Spectrum \$1350
- Westminster Rec \$0
- Spanish radio \$1800
- Total \$7,150

April

4

- Vietnamese radio \$4000
- Instagram \$0
- Facebook \$0
- X/Twitter \$0
- Spectrum \$1350
- Westminster TV \$0
- Hulu \$500-1000
- Spanish radio \$1800
- Total \$7,650-8,150

May

5

- Vietnamese radio \$4000
- Instagram \$42 Boost 1X
- Facebook \$42 Boost 1X
- X/Twitter \$0
- Spectrum \$1350
- 85th Video \$700
- Spanish radio \$1800
- Digital Newsletter \$0
- Total \$7,934

June

6



- Vietnamese radio \$4000
- Instagram \$42 Boost 1X
- Facebook \$42 Boost 1X
- X/Twitter \$0
- Spectrum \$1350
- YouTube \$500-1000
- Westminster TV \$0
- Spanish radio \$1800
- Total \$7,734 - 8,234

July



- Vietnamese radio \$4000
- Instagram \$42 Boost 1X
- Facebook \$42 Boost 1X
- X/Twitter \$0
- Spectrum \$1350
- Westminster Rec \$0
- Spanish radio \$1800
- Total \$7,234

August



- Vietnamese radio \$4000
- Instagram \$0
- Facebook \$0
- X/Twitter \$0
- Spectrum \$1350
- YouTube \$500-1000
- Hulu \$500-1000
- Spanish radio \$1800
- Digital Newsletter \$0
- Total \$8,150-8,650

September



- Vietnamese radio \$4000
- Instagram \$42 Boost 1X
- Facebook \$42 Boost 1X
- X/Twitter \$0
- Spectrum \$1350
- Westminster TV \$0
- Spanish radio \$1800
- Total \$7,234

October



- Vietnamese radio \$4000
- Instagram \$0
- Facebook \$0
- X/Twitter \$0
- Spectrum \$1350
- YouTube \$500-1000
- Spanish radio \$1800
- Total \$7,650-8,150

November



- Vietnamese radio \$4000
- Instagram \$0
- Facebook \$0
- X/Twitter \$0
- Spectrum \$1350
- Westminster Rec \$0
- Spanish radio \$1800
- Digital Newsletter \$0
- Total \$7,150

December



## Quarterly

Vietnamese Radio	\$12,000
Spectrum	\$4,000
Hulu	\$500 - 1,000
YouTube	\$1,000 - 2,000
Spanish Radio	\$5,400

## Yearly

Vietnamese Radio	\$48,000
Spectrum	\$16,000
Hulu	\$2000-4000
YouTube	\$2,500 - 5,000
Spanish Radio	\$21,600
Total for all platforms - Jan - June \$47,136 - 48,636	
Total for all platforms - July - Dec \$45,152 - 46,652	
Total for all platforms - 2024- \$92,288 - 95,288	

## AGENDA ITEM #9D

Date: January 16, 2024  
To: Board of Directors  
From: Robert Housley, General Manager  
Prepared by: Robert Housley, General Manager  
Subject: Consider Scheduling a Legislative Update Workshop

### **BACKGROUND**

Each year there are new State and Federal legislative laws passed that can potentially impact the Midway City Sanitary District (District) and other special districts. In 2023 there were several bills that were approved that can impact the District. It is the responsibility of Staff and General Counsel to provide relevant information to the Board of Directors to ensure that the District is aware of any new laws that can potentially impact the District and its customers.

### **DISCUSSION**

A legislative update workshop provides a concise overview of recent legislative developments relevant to the District and provides the opportunity to have an in-depth review and lengthy discussion on the impacts they can have. The workshop will highlight key changes, pending bills, or policy updates that the Board of Directors should be aware of. The workshop will enhance the District's understanding of the new laws, ensuring compliance, and adapting strategies to align with the latest legal changes. The legislative update workshop also serves as a proactive measure to navigate potential challenges and manage organizational resilience in the face of changing legislative landscapes.

The General Counsel will be presenting the workshop on a date to be determined by the Board of Directors.

#### Potential dates to consider:

Friday, February 16: at any time  
Wednesday, February 21: at any time  
Thursday, February 22: after 5:30 PM  
Friday February 23: at any time  
Thursday, February 29: after 5:30 PM

### **FISCAL IMPACT**

There is no fiscal impact to schedule a legislative update workshop.

### **STAFF RECOMMENDATION**

Staff recommends that the Board of Directors schedule a legislative update workshop on a date to be determined.

### **ATTACHMENTS:**

None.

# ISDOC Quarterly Meeting



Please join us in person for our first Quarterly Luncheon Meeting of the Independent Special Districts of Orange County (ISDOC) for 2024 on Thursday, January 25, from 11:30 a.m. - 1:00 p.m.

■ featuring guest speaker

The Honorable [Donald P. Wagner, Chairman](#)

Orange County Board of Supervisors



## Register Now!

Join us at our first meeting of 2024 to hear from Supervisor Don Wagner who will provide an update on the county, and share how he is working to make Orange County a safe, healthy, and fulfilling place to live, work, and play, today and for generations to come.

There is no cost for lunch this month, as it is being generously sponsored by ISDOC Associate Member California CLASS

We kindly request that you register in advance so we can provide our caterer with an accurate meal count. While there is no cost to you for the luncheon, please register or cancel by Monday, January 22

Come hear from our great speaker, network with your fellow Special District members, and learn something new. We hope to see you on January 25!

Cost: \$0\*

\*In order to provide an accurate catering headcount, late registrations and no-shows will be charged \$25

**When:** Thursday, January 25, 2024.

**Where:** Metropolitan Water District of OC board room, located at 18700 Ward St, Fountain Valley, CA 92708.

For additional information regarding this event, please contact [Heather Baez](#) at (714) 593-5012.