

**MIDWAY CITY SANITARY DISTRICT
REGULAR MEETING
BOARD OF DIRECTORS
DISTRICT OFFICE
14451 CEDARWOOD STREET
WESTMINSTER, CA 92683**

**Tuesday, March 5, 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 Special Meeting on February 16, 2024, and the Minutes of the Regular Meeting on February 20, 2024

5. 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 CR&R 4th Quarter & Annual Report
- E. Report of OC San Board of Directors Meeting on February 28, 2024
- F. Report of District Employee Luncheon on February 28, 2024
- G. Report of Westminster City Council Meeting on February 28, 2024
- H. Report of Clean-up Event at Liberty Park on March 2, 2024

6. CONSENT CALENDAR

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

- A. Receive and File the Register of Demands in the Amount of \$329,681.48
- B. Approve the Statement of Work for Audit Services, the Agreed-upon Procedures, and Compilation & Preparation Between the Midway City Sanitary District and CliftonLarsonAllen, LLP to Perform the Independent Audit for Fiscal Year 2023-2024
- C. Approve Fiscal Year 2023-2024 Budget Adjustments No.1
- D. Receive and File the California Employers' Pension Prefunding Trust (CEPPT) Account Update Summary as of December 31, 2023
- E. Receive and File the California Employers' Retiree Benefit (CERBT) Account Update Summary as of December 31, 2023
- F. Approve General Manager, Robert Housley's, Vacation Request for June 19, 2024 through June 28, 2024 for a total of Eight (8) Days and Approve Acting Pay for Director of Operations & Safety, Nick Castro for Eight (8) Days
- G. Approve General Manager, Robert Housley's, Time Off Request for February 19, 2024 through February 23, 2024 for a total of Five (5) Days and Approve Acting Pay for Director of Services & Program Development, Ashley Davies for Five (5) Days

7. OLD BUSINESS

None

8. NEW BUSINESS

- A. Approval of Side Letter Agreement (“Agreement”) with American Federation of State, County and Municipal Employees, AFL-CIO Local 1734-01 (“Union”)
- B. A RESOLUTION No. 2024-04 FIXING THE EMPLOYER CONTRIBUTION UNDER THE PUBLIC EMPLOYEES’ MEDICAL AND HOSPITAL CARE ACT AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS (PERS ALL EMPLOYEES)
- C. A RESOLUTION No. 2024-05 FIXING THE EMPLOYER CONTRIBUTION UNDER THE PUBLIC EMPLOYEES’ MEDICAL AND HOSPITAL CARE ACT AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS (NON-PERS BOARD OF DIRECTORS)

9. INFORMATIONAL ITEMS

- A. Local Agency Formation Commission of Orange County (LAFCO) Notice of Public Hearing: Proposed FY 2024-25 Budget and Fee Schedule

10. BOARD CONCERNS AND COMMENTS

11. GM/STAFF CONCERNS AND COMMENTS

12. LEGAL COUNSEL CONCERNS AND COMMENTS

13. CLOSED SESSION ITEMS

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

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

- A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Government Code Section 54957(b)(1)) Title: General Manager
- B. CONFERENCE WITH LABOR NEGOTIATORS (Government Code Section 54957.6)
Agency Designated Representatives: Sergio Contreras, Andrew Nguyen, and James Eggart, Unrepresented Employee: Robert Housley

14. OPEN SESSION ITEM AFTER CLOSED SESSION

- A. Discuss and Consider Approval of Award of Performance Bonus and/or Increase to General Manager Salary or Compensation Pursuant to General Manager Employment Agreement and Direction to General Counsel to Prepare Ratifying Resolution

15. ADJOURNMENT TO TUESDAY, MARCH 19, 2024

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

February 16, 2024

CALL TO ORDER:

President M. Nguyen called the special meeting of the Governing Board of the Midway City Sanitary District to order at 14451 Cedarwood Street, Westminster, California on Friday, February 16, 2024 at 5:09 PM.

BOARD MEMBERS PRESENT:

Mark Nguyen
Chi Charlie Nguyen
Andrew Nguyen
Sergio Contreras (arrived @ 5:26 P.M.)
Tyler Diep (arrived @ 5:47 P.M.)

STAFF MEMBERS PRESENT:

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

OTHERS PRESENT:

James H. Eggart, General Counsel Woodruff & Smart

PLEDGE OF ALLEGIANCE AND INVOCATION:

Director C. Nguyen led the Pledge of Allegiance. Director A. Nguyen gave the Invocation.

PUBLIC COMMENTS:

None

President M. Nguyen requested that the new business scheduled as Item 4C be moved up on the Agenda and the other Board Members provided their consent.

NEW BUSINESS:

Director S. Contreras arrived at 5:26 P.M.

Director T. Diep arrived at 5:47 P.M.

C. Update on New Legislation

General Counsel J. Eggart provided a presentation regarding new legislation affecting the District. No Action was taken.

A. Consider Rescheduling a Strategic Planning Workshops

A staff report and recommendations were provided to and considered by the Board. A motion was made by Director T. Diep, seconded by Director S. Contreras, to schedule the first strategic planning

workshop at the District on March 7, 2024 at 5:30 P.M. The motion was approved by the following 5-0 vote:

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

NAYS:

ABSTAIN:

ABSENT:

A motion was made by Director T. Diep, seconded by Director C. Nguyen, to schedule the second strategic planning workshop at the District on April 11, 2024 at 5:30 P.M., and to reschedule the outreach committee meeting to March 6, 2024 at 12:00 P.M. The motion was approved by the following 5-0 vote:

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

NAYS:

ABSTAIN:

ABSENT:

B. Approve the Budget Calendar for Fiscal Year 2024-2025 and Schedule Public Budget Workshops

A staff report and recommendations were provided to and considered by the Board. A motion was made by Director S. Contreras, seconded by Director T. Diep, to schedule the first public budget workshop at the District on April 30, 2024 at 5:30 P.M. and, at a later time, to choose the second date for the public budget workshop. The motion was approved by the following 5-0 vote:

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

NAYS:

ABSTAIN:

ABSENT:

BOARD CONCERNS AND COMMENTS:

None

GM/STAFF CONCERNS AND COMMENT:

GM R. Housley reported that he will be present at the Westminster City recognition for the Tet Sponsorship on February 28, 2024.

GENERAL COUNSEL CONCERNS AND COMMENTS:

None

ADJOURNMENT:

President M. Nguyen adjourned the meeting at 6:32 P.M. to the next Board Meeting to be held at the District on Tuesday, February 20, 2024, at 5:30 P.M.

Andrew Nguyen, Secretary

**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**

February 20, 2024

CALL TO ORDER:

President M. Nguyen called the regular meeting of the Governing Board of the Midway City Sanitary District to order at 14451 Cedarwood Street, Westminster, California on Tuesday, February 20, 2024 at 5:37 PM.

BOARD MEMBERS PRESENT:

Mark Nguyen
Chi Charlie Nguyen
Andrew Nguyen
Sergio Contreras
Tyler Diep

STAFF MEMBERS PRESENT:

Ashley Davies, Acting General Manager
Milo Ebrahimi, District Engineer, P.E
Cynthia Olsder, Executive/Board Secretary

OTHERS PRESENT:

James H. Eggart, General Counsel Woodruff & Smart
Joseph D. Larsen, Labor Counsel Rutan & Tucker, LLP (via telephone)
Gonzalez Family
LaFreniere Family
Riley Westlund

PLEDGE OF ALLEGIANCE AND INVOCATION:

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

PUBLIC COMMENTS:

None

President M. Nguyen requested that new business scheduled as Item 8A be moved up on the Agenda. Director C. Nguyen made a motion, which was seconded by Director T. Diep, to move the matter before approval of the minutes of the regular meeting on February 6, 2024. The motion was approved by the following 5-0 call vote.

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

NAYS:

ABSTAIN:

ABSENT:

NEW BUSINESS:

A. Special Recognition and Appreciation of Student Volunteers

The Board recognized and presented certificates to the following students who volunteered in service of the District in the past year: Maleigh LaFreniere, Leslie Gonzalez, and Riley Westlund.

APPROVAL OF THE MINUTES OF THE REGULAR MEETING ON FEBRUARY 6, 2024:

A motion was made by Director A. Nguyen, seconded by Director T. Diep, to approve the minutes of the Regular Meeting on February 6, 2024. The motion was approved by the following 5-0 vote:

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

NAYS:

ABSTAIN:

ABSENT:

REPORTS:

Report of President

President M. Nguyen reported that he's thinking of and praying for the family of GM R. Housley.

Report of Acting General Manager

Acting GM A. Davies provided information on upcoming events and updates on what was happening at the District.

Director of Services & Program Development

None

Report of Outreach Committee Meeting on February 7, 2024

Director C. Nguyen and Director T. Diep attended the meeting to discuss the outreach schedule for March.

Report of Westminster Tet Parade on February 10, 2024

The Directors were all present at the event and felt it went well and was well attended.

Report of Me Vietnam Radio on February 15, 2024

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

Report of VietLink Radio on February 15, 2024

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

CONSENT CALENDAR:

- A. Received and File the Register of Demands in the Amount of \$979,038.62
- B. Received and File the Treasurer's Investment Report for January 2024
- C. Received and File the 2nd Quarter 2023-2024 Fiscal Year Financial and Budget Reports
- D. Received and File the Engineer Report for January 2024

E. Approve the February 7, 2024 Outreach Committee Recommendations

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

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

NAYS:

ABSTAIN:

ABSENT:

OLD BUSINESS:

None

NEW BUSINESS:

B. CONSIDERATION OF **RESOLUTION NO. 2024-03** OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, ADOPTING A REVISED POLICY REGARDING BOARD OF DIRECTORS ABSENCES AND ATTENDANCE AT MEETINGS

A staff report and recommendations were provided to and considered by the Board. A motion was made by Director T. Diep, seconded by Director A. Nguyen, to adopt Resolution No. 2024-03 as presented at the meeting. 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:

INFORMATIONAL ITEMS:

None

BOARD CONCERNS AND COMMENTS:

None

GM/STAFF CONCERNS AND COMMENT:

None

GENERAL COUNSEL CONCERNS AND COMMENTS:

None

General Counsel, J. Eggart convened the meeting to closed session at 5:52 P.M. for consideration of the following three matters identified on Agenda pursuant to applicable law.

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 and Labor Counsel Joseph Larsen, Employee Organization: American Federation of State, County, and Municipal Employees, LOCAL 1734-01
- B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Government Code Section 54957(b)(1)) Title: General Manager
- C. CONFERENCE WITH LABOR NEGOTIATORS (Government Code Section 54957.6) Title: Agency Designated Representatives: Sergio Contreras, Andrew Nguyen, and James Eggart Unrepresented Employee: Robert Housley

President M. Nguyen reconvened the open session portion of the meeting at 5:58 P.M.

General Counsel J. Eggart reported that the Board had met in closed session as identified on Agenda Item 13A, and that no reportable action had been taken. General Counsel J. Eggart also reported that the Board determined not to meet on Agenda Items 13B, and 13C at this time.

OPEN SESSION ITEM AFTER CLOSED SESSION:

- A. Discuss and Consider Approval of Award of Performance Bonus and/or Increase to General Manager Salary or Compensation Pursuant to General Manager Employment Agreement and Direction to General Counsel to Prepare Ratifying Resolution

General Counsel Eggart advised the Board that no discussion or action by the Board on Agenda Item 14A was needed at this time and recommended that the Board continue this item and direct Staff to place it and the same Closed Session matters on the Agenda for the next Regular Meeting. A motion was made by President M. Nguyen, seconded by Director T. Diep, to table item 14A and to direct Staff to place the matters identified as Items 13B, 13C, and 14A on the Agenda for the March 5, 2024 regular meeting. The motion was approved by the following 5-0 vote:

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

NAYS:

ABSTAIN:

ABSENT:

ADJOURNMENT:

President M. Nguyen adjourned the meeting at 5:58 P.M. to the next Board Meeting to be held at the District on Tuesday, March 5, 2024, at 5:30 P.M.

Andrew Nguyen, Secretary

MIDWAY CITY SANITARY DISTRICT - 2023

RESIDENTIAL		COMMERCIAL	
MONTH	DIVERSION %	MONTH	DIVERSION %
Jan	52.52%	Jan	33.99%
Feb	52.37%	Feb	33.82%
Mar	54.13%	Mar	33.84%
Apr	55.80%	Apr	33.20%
May	55.55%	May	33.29%
June	53.70%	June	33.80%
July	54.20%	July	33.54%
Aug	54.64%	Aug	36.92%
Sept	55.64%	Sept	35.35%
Oct	54.03%	Oct	35.47%
Nov	53.38%	Nov	35.96%
Dec	50.93%	Dec	35.51%
MULTI FAMILY		OVERALL	
MONTH	DIVERSION %	MONTH	DIVERSION %
Jan	37.32%	Jan	43.73%
Feb	36.77%	Feb	43.97%
Mar	37.03%	Mar	44.37%
Apr	36.65%	Apr	45.43%
May	36.19%	May	45.33%
June	36.66%	June	44.56%
July	36.27%	July	44.39%
Aug	39.02%	Aug	46.81%
Sept	38.87%	Sept	46.11%
Oct	38.05%	Oct	45.55%
Nov	39.44%	Nov	43.78%
Dec	38.43%	Dec	44.03%

MIDWAY CITY - 2023

RESIDENTIAL		COMMERCIAL	
MONTH	DIVERSION %	MONTH	DIVERSION %
Jan	52.51%	Jan	34.69%
Feb	52.36%	Feb	33.90%
Mar	54.15%	Mar	34.58%
Apr	55.80%	Apr	33.49%
May	55.55%	May	35.43%
June	53.71%	June	36.32%
July	54.20%	July	36.03%
Aug	54.65%	Aug	38.35%
Sept	55.64%	Sept	38.17%
Oct	54.02%	Oct	37.63%
Nov	53.37%	Nov	38.08%
Dec	50.94%	Dec	37.21%
MULTI FAMILY		OVERALL	
MONTH	DIVERSION %	MONTH	DIVERSION %
Jan	36.18%	Jan	44.43%
Feb	35.74%	Feb	43.13%
Mar	35.95%	Mar	44.99%
Apr	35.58%	Apr	45.05%
May	34.87%	May	46.04%
Jun	35.49%	Jun	45.65%
July	34.98%	July	45.18%
Aug	36.93%	Aug	46.83%
Sept	36.79%	Sept	47.23%
Oct	36.74%	Oct	45.96%
Nov	38.01%	Nov	46.20%
Dec	37.18%	Dec	44.28%

WESTMINSTER - 2023

RESIDENTIAL		COMMERCIAL	
MONTH	DIVERSION %	MONTH	DIVERSION %
Jan	52.52%	Jan	33.96%
Feb	52.37%	Feb	33.82%
Mar	54.13%	Mar	33.81%
Apr	55.80%	Apr	33.18%
May	55.55%	May	33.22%
June	53.70%	June	33.65%
July	54.20%	July	33.45%
Aug	54.64%	Aug	36.87%
Sept	55.64%	Sept	35.25%
Oct	54.03%	Oct	35.39%
Nov	53.38%	Nov	35.89%
Dec	50.93%	Dec	35.45%
MULTI FAMILY		OVERALL	
MONTH	DIVERSION %	MONTH	DIVERSION %
Jan	37.41%	Jan	43.69%
Feb	36.85%	Feb	44.01%
Mar	37.11%	Mar	44.34%
Apr	36.73%	Apr	45.45%
May	36.29%	May	45.30%
June	36.75%	June	44.31%
July	36.37%	July	44.36%
Aug	39.18%	Aug	46.81%
Sept	39.03%	Sept	46.06%
Oct	38.15%	Oct	45.53%
Nov	38.69%	Nov	45.59%
Dec	37.78%	Dec	43.68%

AGENDA ITEM #6A

Date: March 05, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Mariana Sanchez, Accountant

Subject: Receive and File the Register of Demands in the Amount of \$329,681.48

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 \$329,681.48. This includes expenses, payroll, and payroll-related disbursements.

Sufficient funds are available to process all payments.

STAFF RECOMMENDATION

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

ATTACHMENTS:

1. Disbursement Details for March 05, 2024

Midway City Sanitary District

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

Prepared for Board Meeting held on March 05, 2024

Type	Num	Date	Name	Memo	Paid Amount
Check	15386	02/16/2024	Akeso Occupational Health	VOID: PO# 14723	0.00
Check	15387	02/16/2024	AKM Consulting Engineers, Inc.	VOID: Project No. 2351831.00	0.00
Check	15388	02/16/2024	AT&T Mobility (First Net)	VOID: Acct # 287291683611	0.00
Check	15389	02/16/2024	Ayala's Car Wash	VOID:	0.00
Check	15390	02/16/2024	Betts Truck Parts & Service	VOID: PO # 35015	0.00
Check	15391	02/16/2024	Bodyworks Equip. Inc.	VOID:	0.00
Check	15392	02/16/2024	Cameron Welding Supply	VOID:	0.00
Check	15393	02/16/2024	Cascade Engineering, Inc.	VOID: Sales Order: C434327	0.00
Check	15394	02/16/2024	Chevron Texaco (Wex Bank)	VOID: Acct # 0496-00-525172-3	0.00
Check	15395	02/16/2024	City of Westminster-Water Billing	VOID:	0.00
Check	15396	02/16/2024	Cummins Pacific LLC	VOID:	0.00
Check	15397	02/16/2024	Cynthia Loan Olsder	VOID: Reimbursement - Gas/Car Fuel	0.00
Check	15398	02/16/2024	Daniels Tire Service	VOID: Cust # 2002338 Ref # 878484	0.00
Check	15399	02/16/2024	Haaker Equipment Co.	VOID: Customer # 129 PO# NG-12	0.00
Check	15400	02/16/2024	Hamilton & Associates, Inc.	VOID: Carport Solar Project	0.00
Check	15401	02/16/2024	Motion and Flow Control Products, Inc.	VOID:	0.00
Check	15402	02/16/2024	NVB Equipment, Inc.	VOID: PO# 32001	0.00
Check	15403	02/16/2024	Orange County Sanitation District	VOID: MCSD Jan Permit Fees 2024	0.00
Check	15404	02/16/2024	Pitney Bowes/Purchase Power	VOID: Acct # 80000-90000-0933-5138	0.00
Check	15405	02/16/2024	Rutan & Tucker, LLP	VOID: Account # 014843-0001	0.00
Check	15406	02/16/2024	Safety-Kleen Systems, Inc.	VOID:	0.00
Check	15407	02/16/2024	SoCal Auto & Truck Parts, Inc.	VOID: PO# 30997	0.00
Check	15408	02/16/2024	SoCalGas	VOID: Acct # 1938092600 6	0.00
Check	15409	02/16/2024	TEC Of California, Inc.	VOID: PO # 35023	0.00
Check	15410	02/16/2024	UniFirst Corporation	VOID:	0.00
Check	15411	02/16/2024	Akeso Occupational Health	PO# 14723	
Bill	EM002297	02/13/2024		Drug Screen - DOT Contreras, Juan	35.00
				Physical - DOT Cruz, Robert	100.00
					135.00
Check	15412	02/16/2024	AKM Consulting Engineers, Inc.	Project No. 2351831.00	
Bill	0012665	02/06/2024		Sewer System Master Plan 01/02/24 - 01/26/24	52,790.20
					52,790.20
Check	15413	02/16/2024	AT&T Mobility (First Net)	Acct # 287291683611	
Bill	287291683611X021024	01/31/2024		January 2024	372.57
				January 2024	137.13
				January 2024	91.42
					601.12
Check	15414	02/16/2024	Ayala's Car Wash		
Bill	1570	02/07/2024		Fleet Wash (7) 02/07/24	280.00
Bill	1571	02/08/2024		Fleet Wash (3) 02/08/24	90.00
				Fleet Wash (1) 02/08/24	30.00
				Fleet Wash (3) 02/08/24	90.00
				Fleet Wash (3) 02/08/24	90.00
Bill	1572	02/12/2024		Fleet Wash (9) 02/12/2024	360.00
				Fleet Wash (2) 02/12/2024	50.00
					990.00
Check	15415	02/16/2024	Betts Truck Parts & Service	PO # 35015	
Bill	05RO2901	02/08/2024		Repair Walking Beam Bushings for NG-9	3,325.75
					3,325.75
Check	15416	02/16/2024	Bodyworks Equip. Inc.		
Bill	46347	02/09/2024		Paccer Paddle & Actuator Kit (1)	5,325.93
Bill	46348	02/09/2024		Replacement Hydraulic Pump for NG-15	2,588.28
					7,914.21
Check	15417	02/16/2024	Cameron Welding Supply		
Bill	1615735-00	02/09/2024		Weldmark Cutting Tip Series 1 (2), 1/8" DC Copperclad Arc (50), Carbons Pointed 5/16X12 (50)	103.39
Bill	1612847-01	02/09/2024		4 1/2 X 045 x 5/8-11 Cut Off Wheel (10)	47.42
					150.81
Check	15418	02/16/2024	Cascade Engineering, Inc.	Sales Order: C434327	
Bill	241002018	02/02/2024		Green Carts (530) - CalRecycle 21-22 Grant Funds	32,113.88
					32,113.88
Check	15419	02/16/2024	Chevron Texaco (Wex Bank)	Acct # 0496-00-525172-3	

Midway City Sanitary District

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

Prepared for Board Meeting held on March 05, 2024

Type	Num	Date	Name	Memo	Paid Amount
Bill	95002199	01/31/2024		Jan-2024	194.69
				Jan-2024	199.93
				Jan-2024	209.84
				Jan-2024	678.73
					1,283.19
Check	15420	02/16/2024	City of Westminster-Water Billing		
Bill	541-0702-01 012024	01/29/2024		Wash Rack 11/29/23 - 01/29/24	94.20
Bill	541-0698-00 012024	01/29/2024		District offices 1/29/23 - 01/29/24	85.26
					179.46
Check	15421	02/16/2024	Cummins Pacific LLC		
Bill	X5-40789	01/31/2024		Kit, Spark Plug (24), Extension, Ignition Coil (30)	6,181.59
Bill	X5-44124	02/08/2024		Hose, Plain (2)	206.00
Bill	X4-46335	02/08/2024		Repairs to NG-13	2,588.54
					8,976.13
Check	15422	02/16/2024	Cynthia Loan Olsder	Reimbursement - Gas/Car Fuel	
Bill	Expense Reimbursemen	02/15/2024		Reimbursement - Gas/Car Fuel	29.26
					29.26
Check	15423	02/16/2024	Daniels Tire Service	Cust # 2002338 Ref # 878484	
Bill	200496159	02/08/2024		Recap Tires (3)	718.86
					718.86
Check	15424	02/16/2024	Haaker Equipment Co.	Customer # 129 PO# NG-12	
Bill	W1A6ZG	02/06/2024		Repairs to NG-12 Vactor Truck	6,464.80
					6,464.80
Check	15425	02/16/2024	Hamilton & Associates, Inc.	Carport Solar Project	
Bill	10645	12/31/2023		Carport Solar Project (Inspection)	960.00
					960.00
Check	15426	02/16/2024	Motion and Flow Control Products, Inc.		
Bill	9009117	02/07/2024		Restock Hydraulic Hose 100ft	1,736.35
Bill	9010518	02/08/2024		Crimp, 1" Female (12)	522.97
Bill	91010677	02/09/2024		Shiled 4 inch (20), Shield 6 inch (20)	241.87
					2,501.19
Check	15427	02/16/2024	NVB Equipment, Inc.	PO# 32001	
Bill	SQ15388	02/13/2024		Installation of new camera system for NG-19	2,536.13
					2,536.13
Check	15428	02/16/2024	Orange County Sanitation District	MCSD Jan Permit Fees 2024	
Bill	Permit Fees Jan-2024	01/31/2024		Permit Fees Jan-2024	13,056.47
					13,056.47
Check	15429	02/16/2024	Pitney Bowes/Purchase Power	Acct # 80000-90000-0933-5138	
Bill	80009000093351380224	02/11/2024		Postage January-2024	100.00
				Postage February-2024	101.00
					201.00
Check	15430	02/16/2024	Rutan & Tucker, LLP	Account # 014843-0001	
Bill	984030	01/31/2024		Legal Services Jan-2024	4,582.00
					4,582.00
Check	15431	02/16/2024	Safety-Kleen Systems, Inc.		
Bill	93812693	02/06/2024		Hydraulic Oil (108)	1,409.74
Bill	93827835	02/07/2024		Anti-freeze	514.63
					1,924.37
Check	15432	02/16/2024	SoCal Auto & Truck Parts, Inc.	PO# 30997	
Bill	602212	02/03/2024		Fab Loom-Split Poly (200), FishEye Mirror (4)	248.78
					248.78
Check	15433	02/16/2024	SoCalGas	Acct # 1938092600 6	
Bill	19380926006 02092024	02/09/2024		Maint. Shop & Wash Rack - Feb 2024	39.27
					39.27
Check	15434	02/16/2024	TEC Of California, Inc.	PO # 35023	
Bill	1431710L	02/13/2024		Shock Absorber (2) for NG-9	84.56
				Shock Absorber (2) for stock	84.56

Midway City Sanitary District

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

Prepared for Board Meeting held on March 05, 2024

Type	Num	Date	Name	Memo	Paid Amount
					169.12
Check	15435	02/16/2024	UniFirst Corporation		
Bill	2190126107	02/09/2024		February - 2024	193.03
Bill	2190126108	02/09/2024		February - 2024	107.82
Bill	2190126109	02/09/2024		February - 2024	66.30
Bill	2190126110	02/09/2024		February - 2024	15.45
					382.60
Check	1002582395	02/21/2024	CalPERS-Retirement	6882866561	
Bill	02/05/24 - 02/18/24	02/21/2024		Earned Period 02/05/24 - 02/18/24	1,859.19
				Earned Period 02/05/24 - 02/18/24	3,042.86
				Earned Period 02/05/24 - 02/18/24	3,463.94
				Earned Period 02/05/24 - 02/18/24	1,352.30
					9,718.29
Check	1002582396	02/21/2024	CalPERS-Retirement	6882866561	
Bill	02/05/24 - 02/18/24	02/21/2024		Earned Period 02/05/24 - 02/18/24	1,612.93
				Earned Period 02/05/24 - 02/18/24	2,639.83
				Earned Period 02/05/24 - 02/18/24	3,005.14
				Earned Period 02/05/24 - 02/18/24	1,173.18
					8,431.08
Check	1002582397	02/21/2024	CalPERS-Retirement	6882866561	
Bill	02/05/24 - 02/18/24	02/21/2024		Earned Period 02/05/24 - 02/18/24	121.39
				Earned Period 02/05/24 - 02/18/24	198.68
				Earned Period 02/05/24 - 02/18/24	226.17
				Earned Period 02/05/24 - 02/18/24	88.30
					634.54
Check Total					\$161,057.51
ACH Payment	1002582395	02/21/2024	CalPERS-Retirement	6882866561	
Bill	02/05/24 - 02/18/24	02/21/2024		Earned Period 02/05/24 - 02/18/24	1,859.19
				Earned Period 02/05/24 - 02/18/24	3,042.86
				Earned Period 02/05/24 - 02/18/24	3,463.94
				Earned Period 02/05/24 - 02/18/24	1,352.30
					9,718.29
ACH Payment	1002582396	02/21/2024	CalPERS-Retirement	6882866561	
Bill	02/05/24 - 02/18/24	02/21/2024		Earned Period 02/05/24 - 02/18/24	1,612.93
				Earned Period 02/05/24 - 02/18/24	2,639.83
				Earned Period 02/05/24 - 02/18/24	3,005.14
				Earned Period 02/05/24 - 02/18/24	1,173.18
					8,431.08
ACH Payment	1002582397	02/21/2024	CalPERS-Retirement	6882866561	
Bill	02/05/24 - 02/18/24	02/21/2024		Earned Period 02/05/24 - 02/18/24	121.39
				Earned Period 02/05/24 - 02/18/24	198.68
				Earned Period 02/05/24 - 02/18/24	226.17
				Earned Period 02/05/24 - 02/18/24	88.30
					634.54
ACH Payment	FY24M1051	02/22/2024	Paychex	Acct # Y4807254	
Bill	4755778	02/05/2024		Time & Attendance Feb 2024	389.23
					389.23
ACH Payment	474-97909-2	02/27/2024	US Bank Corporate Payment System	Acct # 4246 0445 5568 5498	
Bill	42460445556854980124	01/22/2024		CAL-Card Expenses Jan-2024	20,011.23
					20,011.23
ACH Payment	474-97913-2	02/27/2024	US Bank Corporate Payment System	Acct # 4246 0445 5568 5498	
Bill	42460445556854980224	02/22/2024		CAL-Card Expenses Feb-2024	34,091.24
					34,091.24
ACH Payment		02/28/2024	Nationwide	Funds Transfer 457(b) Salary Reduction	
				Funds Transfer 457(b) Salary Reduction	4,980.28
					4,980.28
ACH Payment		02/28/2024	Nationwide	Funds Transfer 457(b) Roth	
				Funds Transfer 457(b) Roth	1,494.18
					1,494.18
ACH Payments Total					\$79,750.07
Payroll		02/21/2024		Employee Payroll	88,873.90

Midway City Sanitary District

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

Prepared for Board Meeting held on March 05, 2024

Type	Num	Date	Name	Memo	Paid Amount
Payroll Total					\$88,873.90
Total Disbursements					\$329,681.48
Transfers					
Transfers Total					\$0.00

AGENDA ITEM #6B

Date: March 5, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Robert Housley, General Manager

Subject: Approve the Statement of Work for Audit Services, the Agreed-upon Procedures, and Compilation & Preparation Between Midway City Sanitary District and CliftonLarsenAllen, LLP to perform the Independent Audit for the Fiscal Year 2023-2024

BACKGROUND

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

At the January 7, 2020 meeting, the Board of Directors selected CliftonLarsonAllen LLP (CLA) to provide independent audit services for the Midway City Sanitary District beginning for FY 19-20, for a total period of five (5) years, and ending with FY 23-24.

DISCUSSION

The Board of Directors is directly responsible for the appointment, compensation, retention, and oversight of the work of any independent accountants engaged for the purpose of preparing or issuing an independent audit report or performing other independent audit, review, or attest services. All independent accounting firms are thus engaged to report directly to the Board of Directors.

The Statement of Work letters for engagement are attached for approval.

FISCAL IMPACT

Per the Statement(s) of Work, gross fees for services and materials will not exceed \$25,900. For comparison purposes, last year's cost was \$25,000.

STAFF RECOMMENDATION

Staff recommends that the Board of Directors approve the statement of work for audit services, the agreed-upon procedures, and compilation & preparation between the Midway City Sanitary District and CliftonLarsonAllen, LLP to perform the independent audit for Fiscal Year 23-24.

ATTACHMENTS:

1. CLA Statement of Work - Audit Services 23-24 [green]
2. CLA Statement of Work - Compilation & Preparation 23-24 [purple]
3. CLA Statement of Work - Agreed-upon Procedures 23-24 [blue]



Statement of Work - Audit Services

February 21, 2024

This document constitutes a statement of work ("SOW") which serves as an addendum to our contract, Professional Services Agreement made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Midway City Sanitary District ("you," "your," or "the entity") dated January 7, 2020. We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the year ended June 30, 2024.

Daphnie Munoz, CPA is responsible for the performance of the audit engagement.

Scope of audit services

We will audit the financial statements of the entity as of and for the year ended June 30, 2024, which collectively comprise the basic financial statements of Midway City Sanitary District, and the related notes to the financial statements as of and for the year ended June 30, 2024.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity's basic financial statements.

The following RSI will be subjected to certain limited procedures, but will not be audited.

- Management's discussion and analysis.
- GASB-required supplementary pension, OPEB, and infrastructure information under modified reporting.

Nonaudit services

We will also provide the following nonaudit services:

- Preparation of your financial statements and the related notes.
- Preparation of the required supplementary information (RSI).

Audit objectives

The objectives of our audit of the financial statements 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 about whether your financial statements are fairly

presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Our audit will be conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Our audit will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinions.

We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) other than RSI accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

We will issue a written report upon completion of our audit of your financial statements.

Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from the engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming opinions on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue a report, or withdrawing from the engagement.

We will also provide a report (which does not include an opinion) on internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements, as required by *Government Auditing Standards*. The report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the 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, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the entity is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to

management and those charged with governance that an audit conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Auditor responsibilities, procedures, and limitations

We will conduct our audit in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*.

Those standards require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and evaluate whether audit evidence obtained is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 entity's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- 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, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on our evaluation of audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management override of controls
- Revenue recognition

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards*. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or

employees acting on behalf of the entity, may not be detected. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not require auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. An audit is not designed to provide assurance on internal control or to identify deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

We will include in our report on internal control over financial reporting and on compliance relevant information about any identified or suspected instances of fraud and any identified or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements that may have occurred that are required to be communicated under *Government Auditing Standards*.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Management responsibilities

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements and RSI in

accordance with U.S. GAAP.

Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. 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 entity's ability to continue as a going concern for 12 months beyond the financial statement date.

You are responsible for the design, implementation, and maintenance of effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities and safeguarding assets to help ensure that appropriate goals and objectives are met. You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered. You are responsible for taking timely and appropriate steps to remedy any fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we may report.

You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including amounts and disclosures, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, and for the accuracy and completeness of that information (including information from within and outside of the general and subsidiary ledgers); (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions,

and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies to us of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit objectives" section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Responsibilities and limitations related to nonaudit services

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services.

Use of financial statements

Should you decide to include or incorporate by reference these financial statements and our auditors' report(s) thereon in a future private placement or other offering of equity or debt securities, you agree that we are under no obligation to re-issue our report or provide consent for the use of our report in such a registration or offering document. We will determine, at our sole discretion, whether we will re-issue our report or provide consent for the use of our report only after we have performed the procedures we consider necessary in the circumstances. If we decide to re-issue our report or consent to the use of our report, we will be required to perform certain procedures including, but not limited to, (a) reading other information incorporated by reference in the registration statement or other offering document and (b) subsequent event procedures. These procedures will be considered an engagement separate and distinct from our audit engagement, and we will bill you separately. If we decide to re-issue our report or consent to the use of our report, you agree that we will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to re-issue our report or decide to withhold our consent to the use of our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our workpapers for those periods, we are under no obligation to permit such access.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to

municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

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

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Engagement administration and other matters

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

We will provide copies of our reports to the entity; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing confidential or sensitive information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the sole and exclusive property of CLA and constitutes confidential and proprietary information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to California State Controller's Office, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of CLA personnel. Furthermore, upon request, we may provide copies or electronic versions of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the California State Controller's Office. If we are aware that a federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our audit engagement ends on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific SOW for that service.

Government Auditing Standards require that we make our most recent external peer review report publicly available. The report is posted on our website at www.CLAconnect.com/Aboutus/.

Fees

Our professional fees will not exceed \$24,000.00, which includes the entity's audit and the management letter. This estimate is based on anticipated cooperation from your personnel and their assistance with locating requested documents and preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the fees and expenses will likely be higher. Our invoices, including applicable state and local taxes, will be rendered each month as work progresses and are payable on presentation.

Unexpected circumstances

We will advise you if unexpected circumstances require significant additional procedures resulting in a substantial increase in the fee estimate.

Changes in accounting and audit standards

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in the SOW increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

Agreement

We appreciate the opportunity to provide to you the services described in this SOW and the Professional Services Agreement and believe this SOW accurately summarizes the significant terms of our audit engagement. This SOW and the Professional Services Agreement constitute the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA related to audit services. If you have any questions, please let us know. Please sign, date, and return this SOW to us to indicate your acknowledgment and understanding of, and agreement with, the arrangements for our audit of your financial statements including the terms of our engagement and the parties' respective responsibilities.

Sincerely,

CliftonLarsonAllen LLP

Response:

This letter correctly sets forth the understanding of Midway City Sanitary District.

CLA
Munoz, Daphnie

SIGN: _____

DATE: _____

Client
Midway City Sanitary District

SIGN: _____

Robert Housley, General Manager

DATE: _____



Statement of Work - Compilation & Preparation

February 21, 2024

Statement of Work - Compilation Services

This document constitutes a statement of work ("SOW") which serves as an addendum to our contract, Professional Services Agreement, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Midway City Sanitary District ("you," "your," or "the entity") dated January 7, 2020. We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the year ended June 30, 2024.

Daphnie Munoz, CPA is responsible for the performance of the compilation engagement.

Annual Financial Statements

We will prepare the Special Districts Financial Transactions Report (hereinafter referred to as financial statements) of Midway City Sanitary District, which comprise the financial statements identified below, to be included in the form prescribed by California State Controller's Office, and perform a compilation engagement with respect to those financial statements.

Engagement objectives

The objectives of our engagement are to:

- Prepare the financial statements in accordance with the requirements prescribed by the California State Controller's Office based on information provided by you.
- Apply accounting and financial reporting expertise to assist you in the presentation of the financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with the requirements prescribed by the California State Controller's Office.

Our responsibilities

We will conduct our engagement in accordance with Statements on Standards for Accounting and Review Services (SSARSs) promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA) and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

Engagement procedures and limitations

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the financial statements and any supplementary information.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement. You agree that we shall not be responsible for any misstatements in the entity's financial statements that we may not identify as a result of misrepresentations made to us by you.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement. You agree that we shall not be responsible for any misstatements in the entity's financial statements that we may not identify as a result of misrepresentations made to us by you.

Our Report

As part of our engagement, we will issue a report that will state that we did not audit or review the financial statements and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them.

Our report will indicate that the financial statements are prepared in accordance with the requirements prescribed by the California State Controller's Office, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

The report will include a statement that the report is intended solely for the information and use of management, those charged with governance, others within the entity, California State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

There may be circumstances in which the report may differ from its expected form and content. If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

Management responsibilities

The engagement to be performed is conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that our role is to prepare financial statements in accordance with U.S. GAAP and assist management in the presentation of the financial statements in accordance with U.S. GAAP. Management, and those charged with governance, as appropriate, have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARs:

Management responsibilities

The engagement to be performed is conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledges and understands that our role is to prepare financial statements in accordance with the requirements prescribed by the California State Controller's Office and assist management in the presentation of the financial statements in accordance with the requirements prescribed by the California State Controller's Office. Management, and those charged with governance, as appropriate, have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARs:

- The selection of the financial reporting framework to be applied in the preparation of the financial statements and determining that the financial reporting framework is acceptable in the circumstances.
- The preparation and fair presentation of the financial statements in accordance with the requirements prescribed by the California State Controller's Office.
- The inclusion of all informative disclosures required to be included in the form prescribed by the California State Controller's Office, if applicable.
- The presentation of the supplementary information, if applicable.
- 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.
- The prevention and detection of fraud.
- To ensure that the entity complies with the laws and regulations applicable to its activities.
- To ensure that the entity complies with the laws and regulations applicable to its activities.
- The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
- To provide us with the following:
 - Access to all information relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - Additional information that may be requested for the purpose of the engagement.
 - Unrestricted access to persons within the entity with whom we determine it necessary to communicate.

Responsibilities and limitations related to accounting services

For all accounting services we may provide to you, including the preparation of your financial statements, management agrees to assume all management responsibilities; oversee the services by designating an

individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services.

Use of financial statements

The financial statements and our compilation report thereon are for management's use. If you intend to reproduce and publish the financial statements and our report thereon, they must be reproduced in their entirety. Inclusion of the financial statements in a document, such as an annual report or an offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

With regard to the electronic dissemination of financial statements that have been subjected to a compilation engagement, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue a preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Engagement administration and other matters

A list of information we expect to need for our engagement and the dates required will be provided in a separate communication.

Our engagement ends on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific SOW for that service.

Fees

Our professional fees will not exceed \$1,300.00. This estimate is based on anticipated cooperation from your personnel and their assistance with locating requested documents and preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the fees and expenses will likely be higher. Our invoices, including applicable state and local taxes, will be rendered each month as work progresses and are payable on presentation.

Unexpected circumstances

We will advise you if unexpected circumstances require significant additional procedures resulting in a substantial increase in the fee estimate.

Agreement

We appreciate the opportunity to provide to you the services described in this SOW under the MSA and believe this SOW accurately summarizes the significant terms of our compilation engagement. This SOW and the MSA constitute the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA related to

compilation services. If you have any questions, please let us know. Please sign, date, and return this SOW to us to indicate your acknowledgment and understanding of, and agreement with, the arrangements for our engagement to prepare your financial statements and to perform a compilation engagement with respect to those same financial statements , and the parties' respective responsibilities.

Sincerely,

CliftonLarsonAllen LLP

CLA
Munoz, Daphnie

SIGN: _____

DATE: _____

Client
Midway City Sanitary District

SIGN: _____

Robert Housley, General Manager

DATE: _____



Statement of Work - Agreed-upon Procedures

February 21, 2024

This document constitutes a statement of work ("SOW") will serve as an addendum to our contract, Professional Services Agreement, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Midway City Sanitary District ("you," "your," or "the entity") dated January 7, 2020. We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the year ended June 30, 2024.

Daphnie Munoz is responsible for the performance of the agreed-upon procedures engagement.

Scope, objective, and responsibilities

We will apply the agreed-upon procedures which Midway City Sanitary District and the League of California Cities (as presented in the League publication entitled "Article XIII-B Appropriations Limit Uniform Guidelines") has specified and agreed to, listed in the attached schedule, to the Appropriations Limit Worksheet No 6 of District as of or for the year ended June 30, 2024. District is responsible for the Appropriations Limit Worksheet No 6.

Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require us to be independent of the entity or responsible party, as applicable, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our engagement. Midway City Sanitary District agrees to and acknowledges the procedures performed or to be performed are appropriate for the intended purpose of the requirements of Section 1.5 of Article XIII-B of the California Constitution. The intended users of the agreed-upon procedures report are Board of Directors and management of the District. Intended users in addition to Midway City Sanitary District may be requested to agree to the procedures and acknowledge that the procedures performed are appropriate for the intended purpose. Consequently, we make no representation regarding the appropriateness of the procedures enumerated in the attached schedule either for the purpose for which this report has been requested or for any other purpose. The intended users assume the risk that such procedures might be inappropriate for the intended purpose and the risk that they might misunderstand or otherwise inappropriately use findings properly reported by CLA.

Our responsibility is to perform the specified procedures and report the findings in accordance with the attestation standards. For purposes of reporting findings, you specified a threshold of \$0.00 for reporting exceptions. Because the agreed-upon procedures listed in the attached schedule do not constitute an

examination, audit, or review, we will not express an opinion or conclusion on the the Appropriations Limit Worksheet No 6 or the District's financial statements or any elements, accounts, or items thereof. Also, we will not express an opinion or conclusion on the effectiveness of District's internal control over financial reporting or any part thereof. In addition, we have no obligation to perform any procedures beyond those listed in the attached schedule.

At the conclusion of the engagement, you agree to provide a written representation letter that includes your agreement and acknowledgement that the procedures performed are appropriate for the intended purpose of the engagement and, if applicable, that you have obtained from necessary other parties their agreement to the procedures and acknowledgement that the procedures performed are appropriate for their purposes.

We will issue a written report upon completion of our engagement that lists the procedures performed and our findings. This report is intended solely for the information and use of Board of Directors and management of the District, and should not be used by anyone other than the specified parties. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report, or will not issue a report and withdraw from this engagement. Our report will include a statement indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

An agreed-upon procedures engagement is not designed to detect instances of fraud or noncompliance with laws or regulations; however, we will communicate to you any known and suspected fraud and noncompliance with laws or regulations affecting the the Appropriations Limit Worksheet No 6 that come to our attention, unless they are clearly inconsequential. In addition, if, in connection with this engagement, matters come to our attention that contradict the the Appropriations Limit Worksheet No 6, we will disclose those matters in our report. Such disclosures, if any, may not necessarily include all matters that might have come to our attention had we performed additional procedures or an examination or review.

Management is responsible for providing us with (1) access to all information of which you are aware that is relevant to the the Appropriations Limit Worksheet No 6 and the agreed-upon procedures, such as records, documentation, and other matters, and for the accuracy and completeness of that information; (2) additional information that we may request for the purpose of performing the agreed-upon procedures; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence relating to performing the procedures. You agree to inform us of events occurring or facts discovered subsequent to the date of the the Appropriations Limit Worksheet No 6 that may affect the the Appropriations Limit Worksheet No 6.

Engagement administration and other matters

A list of information we expect to need for the engagement and the dates required will be provided in a separate communication.

CLA will not disclose any of your confidential, proprietary, or privileged information to any persons without the authorization of your management or unless required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Our engagement ends on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific SOW for that service.

Fees

Our professional fees will not exceed \$600.00. This estimate is based on anticipated cooperation from your personnel and their assistance with locating requested documents and preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the fees and expenses will likely be higher. Our invoices, including applicable state and local taxes, will be rendered each month as work progresses and are payable on presentation.

Agreement

We appreciate the opportunity to be of service to you and believe this SOW accurately summarizes the significant terms of our engagement. This SOW constitutes the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this SOW, please sign, date, and return the enclosed copy to us.

Sincerely,

CliftonLarsonAllen LLP

CLA
Munoz, Daphnie

Client
Midway City Sanitary District

SIGN: _____

SIGN: _____

Robert Housley, General Manager

DATE: _____

DATE: _____

Schedule of Procedures to be Performed for the Fiscal Year Ending June 30, 2024

1. We will obtain the completed Appropriations Limit Worksheet No. 6 for the year ended June 30, 2024, and compare 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 compare the population and inflation options included in the aforementioned worksheet to those that were selected by a recorded vote of the Board of Directors.
2. For the Appropriations Limit Worksheet No. 6, we will add last year's limit to the total adjustments, and compare the resulting amount to this year's limit. We will also recalculate the adjustment factor and the adjustment for inflation and population, and compare the results to the amounts on Worksheet No. 6.
3. We will compare 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.

AGENDA ITEM #6C

Date: March 5, 2024
To: Board of Directors
From: Robert Housley, General Manager
Prepared by: Robert Housley, General Manager
Subject: Approve Fiscal Year 2023-2024 Budget Adjustments No. 1

BACKGROUND

The fiscal year 2023-2024 budget was adopted June 6, 2023. It is the District’s practice to make periodic budget adjustments throughout the fiscal year. This report is an update on the financial condition of the district and recommends budget adjustments to reflect projected resources and expenditures more accurately.

DISCUSSION

The District remains fiscally strong and healthy. Investment revenue is exceeding budget estimates, operating expenditures are in alignment with District goals and priorities with a net zero change to overall expenditure estimates. Capital expenditures reflect current board approved projects, and commitments. The District remains very active this fiscal year, with a substantial amount of capital projects, operational upgrades, services and programs which are fully encompassed within the budget.

The budget to actual report with the recommended budget adjustments is attached thereof.

FISCAL IMPACT

Fiscal impact for revenue, expenses, capital outlay and miscellaneous items, is as follows:

Increase to revenues	\$ 770,000
Expenses zero net change	\$ 0
Increase to capital outlay & miscellaneous	\$ 4,222,000

STAFF RECOMMENDATION

Staff recommends that the Board of Directors approve the proposed budget adjustments as presented.

ATTACHMENTS:

1. FY 23-24 Budget Adjustments No. 1

MIDWAY CITY SANITARY DISTRICT

BUDGET vs. ACTUAL
FY 2023-2024 BUDGET ADJ #1

		FY 2023-24	FY 2023-24	PROPOSED	REVISED
		ACTUAL	BUDGET	ADJUSTMENTS	BUDGET
SUMMARY					
1	REVENUES				
2	Trash & Sewer Collection Fees	4,411,542	7,160,000	-	7,160,000
3	Franchise Fees	785,547	1,180,000	20,000	1,200,000
4	Property Taxes	810,121	1,478,000	-	1,478,000
5	Pass-Thru Property Tax Funds	2,335,038	3,600,000	-	3,600,000
6	Investment Income	2,061,786	1,500,000	750,000	2,250,000
7	Other Revenue Sources	79,063	271,000		271,000
8	TOTAL REVENUES	\$ 10,483,097	\$ 15,189,000	770,000.00	\$ 15,959,000
9	EXPENSES				
10	Salaries and Wages	1,650,368	3,112,000	-	3,112,000
11	Benefits	1,039,986	1,785,500	700	1,786,200
12	Tonnage Fees	1,059,502	2,650,000	-	2,650,000
13	Repairs and Maintenance	414,995	859,000	-	859,000
14	Depreciation & Amortization Expense	-	1,519,900	-	1,519,900
15	Other Operating Expenses	1,649,513	4,551,358	(700)	4,550,658
16	TOTAL EXPENSES	\$ 5,814,364	\$ 14,477,758	\$ -	\$ 14,477,758
17	Net Resources Over/(Under) Expenses	4,668,732	711,242		1,481,242
18	ACTUAL/BUDGET	\$ 10,483,097	\$ 15,189,000		\$ 15,959,000

		FY 2023-24	FY 2023-24	PROPOSED	REVISED
		ACTUAL	BUDGET	ADJUSTMENTS	BUDGET
REVENUES					
1	OPERATING REVENUES				
2	Trash & Sewer Collection Fees	4,411,542	7,160,000		7,160,000
3	Additional Container & Service Fees	10,459	12,000		12,000
4	Franchise Fees	785,547	1,180,000	20,000	1,200,000
5	Sewer Plan Check & Inspection Fees	33,736	45,000		45,000
6	Sewer Connection Fees	6,288	14,000		14,000
7	OPERATING REVENUES	\$ 5,247,572	\$ 8,411,000	\$ 20,000	\$ 8,431,000
8	NON-OPERATING REVENUES				
9	Property Tax Secured	722,224	1,336,200		1,336,200
10	Property Tax Unsecured	34,074	40,000		40,000
11	Property Tax Supplemental	18,675	30,000		30,000
12	Homeowner's Property Tax Relief	2,650	6,000		6,000
13	Public Utility Tax & Reg. Railroad	32,497	64,000		64,000
14	Pass thru Property Taxes County of Orange	334,439	400,000		400,000
15	Pass thru Property Taxes City of Westminster	2,000,599	3,200,000		3,200,000
16	Investment Income	2,061,786	1,500,000	750,000	2,250,000
17	Interest on Undistributed Taxes	-	1,800		1,800
18	Other Revenue	28,580	200,000		200,000
19	Gain/(Loss) on Disposal of Capital Assets	-	-		-
21	NON-OPERATING REVENUES	\$ 5,235,525	\$ 6,778,000	\$ 750,000	\$ 7,528,000
22	TOTAL REVENUES	\$ 10,483,097	\$ 15,189,000	\$ 770,000	\$ 15,959,000

MIDWAY CITY SANITARY DISTRICT

BUDGET vs. ACTUAL
FY 2023-2024 BUDGET ADJ #1

		FY 2023-24	FY 2023-24	PROPOSED	REVISED
		ACTUAL	BUDGET	ADJUSTMENTS	BUDGET
BOARD OF DIRECTORS					
23	Directors' Fees (salaries)	70,800	115,000		115,000
24	Medicare	990	1,600		1,600
25	Group Insurance	72,673	120,000		120,000
26	Workers' Compensation Insurance	400	400		400
27	Director Reimbursements	-	-		-
28	Board Meeting Expenses	3,730	5,000		5,000
29	Operating Expense	1,745	4,000	(500)	3,500
30	Services & Supplies	2,655	3,500	500	4,000
31	Board Development & Travel Expenses	3,972	45,000		45,000
32	TOTAL BOARD OF DIRECTORS	\$ 156,966	\$ 294,500	\$ -	\$ 294,500

		FY 2023-24	FY 2023-24	PROPOSED	REVISED
		ACTUAL	BUDGET	ADJUSTMENTS	BUDGET
ADMINISTRATION					
33	Salaries & Wages	549,599	1,200,000		1,200,000
34	Medicare	9,340	17,000		17,000
35	CalPERS Retirement	69,132	150,000		150,000
36	CalPERS CEPPT Trust Reimbursement	-	-		-
37	Group Insurance	140,646	229,500		229,500
38	Group Insurance - Retirees	64,995	75,000	15,000	90,000
39	Group Insurance Retirees Trust Reimbursement	-	(75,000)	(15,000)	(90,000)
40	Workers' Compensation Insurance	3,316	5,500	(1,300)	4,200
41	Uniforms & Laundry Services	469	550	200	750
42	Employee Reimbursements	3,038	3,000	2,500	5,500
43	Unemployment Benefits	-	-		-
43	Office Expenses & Supplies	4,265	15,000		15,000
44	Operating Expenses	3,864	25,000	(5,000)	20,000
45	Local Govt. Formation Commission (LAFCO)	21,508	21,508		21,508
46	Services & Supplies	27,291	35,000	5,000	40,000
47	Printing & Publications	548	2,000		2,000
48	Permits Fees Testing & Taxes	1,547	3,500		3,500
49	Memberships Dues & Subscriptions	9,871	15,000		15,000
50	Staff Development & Travel	11,331	50,000		50,000
51	Education & Training	1,231	10,000	(5,000)	5,000
52	Employee Awards Incentives & Recognition	28,489	50,000		50,000
53	Medical Exams & Testing	640	2,000		2,000
54	Property & Liability Insurance	106,000	106,000		106,000
55	Claims Expense	(324)	-		-
56	Gasoline & Diesel Fuel	1,606	4,000		4,000
57	Repairs & Maintenance	281	10,000		10,000
58	Audit & Financial Services	25,000	25,000		25,000
59	Legal Services Personnel	32,812	35,000	20,000	55,000
60	Legal Services General Counsel	69,502	120,000		120,000
61	Information Technology	52,550	50,000	20,000	70,000
62	Professional & Consulting Services	13,725	65,000	(10,000)	55,000
63	Temporary Personnel	21,909	50,000		50,000
64	Community Outreach & District Events	37,316	125,000		125,000
65	District Calendar	43,571	70,000	(26,400)	43,600
66	Media & Program Development	29,706	60,000		60,000
67	Newsletters	-	-		-
68	Utilities	15,517	35,000		35,000
69	Depreciation & Amortization Expenses	-	75,000		75,000
70	TOTAL ADMINISTRATION	\$ 1,400,291	\$ 2,664,558	\$ -	\$ 2,664,558

MIDWAY CITY SANITARY DISTRICT

BUDGET vs. ACTUAL
FY 2023-2024 BUDGET ADJ #1

		FY 2023-24	FY 2023-24	PROPOSED	REVISED
		ACTUAL	BUDGET	ADJUSTMENTS	BUDGET
FLEET MAINTENANCE					
71	Salaries & Wages	200,242	357,000		357,000
72	Medicare	3,510	4,500	500	5,000
73	CalPERS Retirement	27,468	50,000		50,000
74	CalPERS CEPPT Trust Reimbursement	-	-		-
75	Group Insurance	55,756	100,000		100,000
76	Group Insurance Retirees	3,865	10,000		10,000
77	Group Insurance Retirees Trust Reimbursement	-	(10,000)		(10,000)
78	Workers' Compensation Insurance	9,000	11,500	(2,500)	9,000
79	Uniforms & Laundry Services	2,516	4,500		4,500
80	Employee Reimbursements	126	2,000		2,000
81	Services & Supplies	3,271	4,000		4,000
82	Staff Development & Travel Expenses	1,089	5,000		5,000
83	Education & Training	4,488	5,000		5,000
84	Medical Exams & Testing	622	800		800
85	Property & Liability Insurance	80,000	80,000		80,000
86	Gasoline & Diesel Fuel	2,634	6,000		6,000
87	Tools & Equipment	15,276	40,000		40,000
88	Repairs & Maintenance	3,511	15,000		15,000
89	Hazardous Waste Used/Mixed Oil	2,155	1,000	2,000	3,000
90	Information Technology	-	3,000		3,000
91	Utilities	735	2,500		2,500
92	Depreciation & Amortization Expenses	-	6,900		6,900
93		\$ 416,263	\$ 698,700	\$ -	\$ 698,700

		FY 2023-24	FY 2023-24	PROPOSED	REVISED
		ACTUAL	BUDGET	ADJUSTMENTS	BUDGET
SOLID WASTE					
94	Salaries & Wages	587,901	1,000,000		1,000,000
95	Medicare	9,367	18,000		18,000
96	CalPERS Retirement	58,580	245,000	(55,000)	190,000
97	CalPERS CEPPT Trust Reimbursement	-	-		-
98	Group Insurance	238,419	295,000	40,000	335,000
99	Group Insurance Retirees	49,480	61,000	15,000	76,000
100	Group Insurance Retirees Trust Reimbursement	-	(61,000)	(15,000)	(76,000)
101	Workers' Compensation Insurance	54,000	60,000	(6,000)	54,000
102	Uniforms & Laundry Services	6,142	12,000		12,000
103	Employee Reimbursements	3,225	6,000		6,000
104	Operating Expenses	1,254	6,000		6,000
105	Services & Supplies	37,078	66,500		66,500
106	Staff Development & Travel Expenses	-	10,000		10,000
107	Education & Training	2,123	15,000	(5,000)	10,000
108	Medical Exams & Testing	1,010	5,000		5,000
109	Property & Liability Insurance	195,082	160,000	36,000	196,000
110	Claims Expense	2,913	10,000		10,000
111	Gasoline & Diesel Fuel	2,033	7,500		7,500
112	Tonnage Fees Trash (black cart)	601,225	1,550,000		1,550,000
113	Tonnage Fees Recycling (blue cart)	-	-		-
114	Tonnage Fees Organics (green cart)	458,278	1,100,000		1,100,000
115	Refuse, Recycling, and Organic Containers	168,999	300,000		300,000
116	Repairs, Maintenance, Tires, and Restock Parts	295,227	425,000		425,000
117	Repairs & Maintenance CNG Facilities	13,713	75,000		75,000
118	Information Technology	2,150	30,000		30,000
119	Professional & Consulting Services	7,507	10,000	50,000	60,000
120	Clean-up Events	9,582	30,000		30,000
121	SB 1383 Organic Waste Reduction & Compost Giveaway	32,199	40,000		40,000
122	Utilities	63,032	85,000		85,000
123	Natural Gas Fuel CNG Facilities	59,792	200,000	(60,000)	140,000
124	Depreciation & Amortization Expenses	-	850,000		850,000
125	TOTAL SOLID WASTE	\$ 2,960,312	\$ 6,611,000	\$ -	\$ 6,611,000

MIDWAY CITY SANITARY DISTRICT

BUDGET vs. ACTUAL
FY 2023-2024 BUDGET ADJ #1

		FY 2023-24	FY 2023-24	PROPOSED	REVISED
		ACTUAL	BUDGET	ADJUSTMENTS	BUDGET
SEWER DEPARTMENT					
126	Salaries & Wages	241,825	440,000		440,000
127	Medicare	4,045	6,000		6,000
128	CalPERS Retirement	39,682	150,000	(25,000)	125,000
129	CalPERS CEPPT Trust Reimbursement	-	-		-
130	Group Insurance	87,182	120,000	20,000	140,000
131	Group Insurance Retirees	25,140	40,000		40,000
132	Group Insurance Retirees Trust Reimbursement	-	(40,000)		(40,000)
133	Workers' Compensation Insurance	13,000	15,500		15,500
134	Uniforms & Laundry Services	2,122	3,500		3,500
135	Employee Reimbursements	1,630	3,000		3,000
136	Operating Expenses	3,309	6,000		6,000
137	Services & Supplies	7,711	7,500	3,000	10,500
138	Permits Fees Testing & Taxes	20,820	25,000		25,000
139	Memberships Dues & Subscriptions	1,122	1,500	500	2,000
140	Staff Development & Travel Expenses	965	10,000		10,000
141	Education & Training	1,523	10,000		10,000
142	Medical Exams & Testing	891	1,000		1,000
143	Property and Liability Insurance	94,000	94,000		94,000
144	Claims Expense	-	10,000		10,000
145	Gasoline & Diesel Fuel	5,783	7,500	1,500	9,000
146	Repairs & Maintenance	102,261	250,000		250,000
147	Emergency Repairs	-	150,000		150,000
148	Engineering & Consulting	178,276	500,000		500,000
149	Professional & Consulting Services	7,507	500,000		500,000
150	Information Technology & SCADA System	978	15,000		15,000
151	CCTV and Cleaning of District Sewer Lines	-	1,200,000		1,200,000
152	Fats, Oils & Grease (FOG) Program	8,525	25,000		25,000
153	Resident Lateral Assistance Program	-	9,000		9,000
154	Utilities	31,363	51,500		51,500
155	Natural Gas Fuel CNG Station	870	10,000		10,000
156	Depreciation & Amortization Expenses		588,000		588,000
157	TOTAL SEWER	\$ 880,532	\$ 4,209,000	\$ -	\$ 4,209,000

		FY 2023-24	FY 2023-24	PROPOSED	REVISED
		ACTUAL	BUDGET	ADJUSTMENTS	BUDGET
MIDWAY CITY SANITARY DISTRICT					
158	REVENUES	\$ 10,483,097	\$ 15,189,000	770,000.00	\$ 15,959,000
159	EXPENSES	\$ 5,814,364	\$ 14,477,758	-	\$ 14,477,758
160	REVENUES - EXPENSES =	\$ 4,668,732	\$ 711,242		\$ 1,481,242

		FY 2023-24	FY 2023-24	PROPOSED	REVISED
		ACTUAL	BUDGET	ADJUSTMENTS	BUDGET
161	Sewer System Department	880,532	4,209,000	-	4,209,000
162	Solid Waste Department	2,960,312	6,611,000	-	6,611,000
163	Fleet Maintenance Department	416,263	698,700	-	698,700
164	Administration Department	1,400,291	2,664,558	-	2,664,558
165	Board of Directors	156,966	294,500	-	294,500
166	TOTAL SUMMARY BY DEPT	\$ 5,814,364	\$ 14,477,758	\$ -	\$ 14,477,758

MIDWAY CITY SANITARY DISTRICT

BUDGET vs. ACTUAL
FY 2023-2024 BUDGET ADJ #1

		FY 2023-24	FY 2023-24	PROPOSED	REVISED
		ACTUAL	BUDGET	ADJUSTMENTS	BUDGET
CAPITAL OUTLAY & IMPROVEMENTS BUDGET					
167	District Offices & Yard				
168	Solar Project Design	-	-		-
169	Solar Project Construction	536,098	-	735,000	735,000
170	District Building Project Construction	2,699,264	-	3,362,000	3,362,000
171	District Buildings Facility, Features, & Furnishings	115,633	150,000	100,000	250,000
172	District Buildings Technology	13,486	-	25,000	25,000
173	New Class C Vehicles	32,549	80,000		80,000
174	Fleet Maintenance				
175	None				
176	Solid Waste		-		
177	3 New Side Loader Trash Trucks	908,941	1,400,000		1,400,000
178	Rebuilt Engines & Packers for CNG Trash Trucks	-	60,000		60,000
179	Sewer		-		
180	Plan and Document Scanner and Plotter	-	10,000		10,000
181	Miscellaneous		-		
182	Payments Towards Unfunded Liabilities	-	-		-
183	Payment Towards 115 CEPPT Trust	-	250,000		250,000
184	TOTAL CAPITAL OUTLAY & IMPROVEMENTS	\$ 4,305,971	\$ 1,950,000	\$ 4,222,000	\$ 6,172,000

AGENDA ITEM #6D

Date: March 5, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Robert Housley, General Manager

Subject: Receive and File the California Employers' Pension Prefunding Trust (CEPPT) Account Update Summary as of December 31, 2023

BACKGROUND

In September of 2018, the California State Legislature passed Senate Bill 1413 (SB 1413) which created the California Employers' Pension Prefunding Trust (CEPPT). The CEPPT is a special irrevocable trust fund, in the California State Treasury, that allows State and local public agencies that provide a defined benefit pension plan to their employees to prefund their pension contributions. The CEPPT program receives pre-fund contributions from employers and invests those assets into public market securities. The contributions and the investment return are held in a trust fund dedicated exclusively to paying retiree benefits promised by the District to its employees.

At the August 20, 2019 regular meeting, the Board of Directors approved joining the CEPPT program and establishing a trust with CalPERS for the Purpose of Prefunding the Midway City Sanitary District's Required Pension Contributions

DISCUSSION

By joining the CEPPT Program, the District can help finance future costs in large part from the investment earnings provided by CalPERS. Just as the earnings from invested retirement contributions cover \$3 of every \$4 spent in pension benefits, this trust is expected to generate significant revenues to apply towards retirement obligations. Using investment returns and the original contribution to pay the benefits during retirement is a sure path to rate stabilization and sustainable long-term benefits.

FISCAL IMPACT

CEPPT 115 fiscal summary since inception is shown below in the table. No fiscal impact to receive and file this report.

(next page)

As of December 31, 2023	Strategy 1	Strategy 2	Total
Initial contribution (09/06/2019)	\$2,500,000	\$0	\$2,500,000
Additional contributions	\$2,075,000	\$0	\$2,075,000
Disbursements	\$0	\$0	\$0
CEPPT expenses	(\$35,755)	\$0	(\$35,755)
Investment earnings	\$650,111	\$0	\$650,111
Total assets (09/06/2019-12/31/2023 = 4.32 years)	\$5,189,356	\$0	\$5,189,356

STAFF RECOMMENDATION

Staff recommends that the Board of Directors receive and file this report.

ATTACHMENTS:

1. CEPPT Account Update Summary as of December 31, 2023

CEPPT Account Update Summary

Midway City Sanitary District

as of December 31, 2023

CEPPT Account Summary

As of December 31, 2023	Strategy 1	Strategy 2	Total
Initial contribution (09/06/2019)	\$2,500,000	\$0	\$2,500,000
Additional contributions	\$2,075,000	\$0	\$2,075,000
Disbursements	\$0	\$0	\$0
CEPPT expenses	(\$35,755)	\$0	(\$35,755)
Investment earnings	\$650,111	\$0	\$650,111
Total assets (09/06/2019-12/31/2023 = 4.32 years)	\$5,189,356	\$0	\$5,189,356

CEPPT/CERBT Investment Returns Outperform Benchmarks

Periods Ended November 30, 2023

Fund	Assets	1 Month	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years	ITD
CERBT Strategy 1 (Inception June 1, 2007)	\$15,698,785,087	8.26%	0.21%	0.54%	4.93%	1.50%	5.95%	5.44%	4.86%
Benchmark		8.25%	0.16%	0.46%	4.67%	1.30%	5.71%	5.09%	4.47%
CERBT Strategy 2 (Inception October 1, 2011)	\$1,832,069,717	7.79%	-0.08%	-0.28%	3.14%	-0.51%	4.59%	4.40%	5.82%
Benchmark		7.78%	-0.08%	-0.29%	2.99%	-0.64%	4.42%	4.12%	5.57%
CERBT Strategy 3 (Inception January 1, 2012)	\$745,595,400	7.24%	-0.24%	-0.77%	1.91%	-1.50%	3.61%	3.61%	4.30%
Benchmark		7.24%	-0.23%	-0.78%	1.83%	-1.59%	3.49%	3.34%	4.04%
CERBT Total	\$18,276,450,204								
CEPPT Strategy 1 (Inception October 1, 2019)	\$144,299,927	6.99%	0.44%	0.47%	4.38%	0.08%	-	-	3.01%
Benchmark		7.00%	0.40%	0.40%	4.14%	-0.10%	-	-	2.89%
CEPPT Strategy 2 (Inception January 1, 2020)	\$47,109,342	5.88%	0.35%	0.09%	2.79%	-1.96%	-	-	0.33%
Benchmark		5.87%	0.32%	0.02%	2.74%	-2.07%	-	-	0.22%
CEPPT Total	\$191,409,269								

CEPPT Portfolios

2022 Capital Market Assumptions	CEPPT Strategy 1	CEPPT Strategy 2
Expected Return	4.5%	3.5%
Risk	8.8%	6.1%

CEPPT Portfolio Details

Asset Classification	Benchmark	CEPPT Strategy 1	CEPPT Strategy 2
Global Equity	MSCI All Country World Index IMI (Net)	37% ±5%	21% ±5%
Fixed Income	Bloomberg U.S. Aggregate Bond Index	44% ±5%	61% ±5%
Global Real Estate (REITs)	FTSE EPRA/NAREIT Developed Liquid Index (Net)	14% ±5%	9% ±5%
Treasury Inflation Protected Securities (TIPS)	Bloomberg US TIPS Index, Series L	5% ±3%	9% ±3%
Cash	91-Day Treasury Bill	0% +2%	0% +2%

Total Participation Cost Fee Rate

- Total all-inclusive cost of participation
 - Combines administrative, custodial, and investment fees
 - Separate trust funds
 - Self-funded, fee rate may change in the future
 - Fee is applied daily to assets under management
 - 10 basis points - CERBT
 - 25 basis points - CEPPT

CEPPT/CERBT Consistently Low Fee Rate History

Fiscal Year	CERBT	CEPPT
2007-2008	2.00 basis points	-
2008-2009	6.00 basis points	-
2009-2010	9.00 basis points	-
2010-2012	12.00 basis points	-
2012-2013	15.00 basis points	-
2013-2014	14.00 basis points	-
2014-2019	10.00 basis points	-
2019-2023	10.00 basis points	25.00 basis points

629 Prefunding Program Employers

604 CERBT and 94 CEPPT

- State of California
- 158 Cities or Towns
- 10 Counties
- 83 School Employers
- 32 Courts
- 345 Special Districts and other Public Agencies
 - (103 Water, 37 Sanitation, 34 Fire, 27 Transportation)

Questions? Where to Get Trust Fund Information?

Name	Title	E-mail	Desk	Mobile
Darren Lathrop	Outreach & Support Manager	Darren.Lathrop@calpers.ca.gov	(916) 795-0751	(916) 291-0391
Lee Lo	Outreach & Support Analyst	Lee.Lo@calpers.ca.gov	(916) 795-4034	(916) 612-4128
Therese Luo	Outreach & Support Analyst	Therese.Luo@calpers.ca.gov	(916) 795-2983	(916) 213-2879
Danny Kaufman	Outreach & Support Analyst	Daniel.Kaufman@calpers.ca.gov	(916) 795-8278	(916) 440-3821
Colleen Cain-Herrback	Administration & Reporting Program Manager	Colleen.Cain-Herrback@calpers.ca.gov	(916) 795-2474	(916) 505-2506
Vic Anderson	Administration & Reporting Manager	Victor.Anderson@calpers.ca.gov	(916) 795-3739	(916) 281-8214
Robert Sharp	Assistant Division Chief	Robert.Sharp@calpers.ca.gov	(916) 795-3878	(916) 397-0756

Program E-mail Addresses	Prefunding Programs Webpages
CEPPT4U@calpers.ca.gov – Questions & Document Submittal	www.calpers.ca.gov/CEPPT
CERBT4U@calpers.ca.gov – Questions & Document Submittal	www.calpers.ca.gov/CERBT
CERBTACCOUNT@calpers.ca.gov – Online Record Keeping System	www.your-fundaccount.com/calpers

AGENDA ITEM #6E

Date: March 5, 20243

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Robert Housley, General Manager

Subject: Receive and File the California Employers' Retiree Benefit (CERBT) Account Update Summary as of December 31, 2023

BACKGROUND

In 2007, CalPERS established the California Employer's Retirement Trust (CERBT) fund, as an irrevocable Section 115 trust, available for public employers seeking to prefund their Other Post Employments Benefits (OPEB) obligations. The Midway City Sanitary District (District) provides health insurance for retirees as a post-employment benefit.

At the April 27, 2010 regular meeting, the Board of Directors approved joining CERBT and establishing a trust account to pre-fund the District's OPEB liabilities.

DISCUSSION

OPEB Trusts are a funding vehicle used by agencies to prefund the future costs of their retiree OPEB benefits as the employee services are rendered. Once funds are deposited into an irrevocable trust, they may not be withdrawn for any purpose other than funding the costs of employer's retiree OPEB benefits. This is the same way that pension trusts operate, such as the District's retirement plan with CalPERS for its employees. These OPEB Trusts provide agencies with a fiscally sound option for ensuring they are able to meet their OPEB liability in the most cost-effective manner.

FISCAL IMPACT

CERBT 115 Trust fiscal summary since inception is shown below in the table. No fiscal impact to receive and file this report.

As of December 31, 2023	Strategy 1
Initial contribution (06/22/2010)	\$187,734
Additional contributions	\$4,108,567
Disbursements	(\$426,515)
CERBT expenses	(\$46,317)
Investment earnings	\$3,106,711
Total assets	\$6,930,180
Annualized net rate of return (06/22/2010-12/31/2023 = 13.53 years)	6.34%

STAFF RECOMMENDATION

Staff recommends that the Board of Directors receive and file this report.

ATTACHMENTS:

1. CERBT Account Update Summary as of December 31, 2023

CERBT Account Update Summary

Midway City Sanitary District

as of December 31, 2023

OPEB Valuation Report Summary

OPEB Actuarial Valuation Report by MacLeod Watts, Inc.	
Valuation Date	6/30/2021
Measurement Date	6/30/2021
Total OPEB Liability (TOL)	\$4,849,797
Valuation Assets	\$7,143,062
Net OPEB Liability (NOL)	(\$2,293,265)
Funded Status	147%
Actuarially Determined Contribution (ADC)	\$52,501
CERBT Asset Allocation Strategy	Strategy 1
Discount Rate	6.75%

CERBT Account Summary

As of December 31, 2023	Strategy 1
Initial contribution (06/22/2010)	\$187,734
Additional contributions	\$4,108,567
Disbursements	(\$426,515)
CERBT expenses	(\$46,317)
Investment earnings	\$3,106,711
Total assets	\$6,930,180
Annualized net rate of return (06/22/2010-12/31/2023 = 13.53 years)	6.34%

Cash Flow Summary by Fiscal Year

Fiscal Year	Contributions	Disbursements	Cumulative Investment Gains (Losses)	Cumulative Fees	Cumulative Ending Assets
2006-07	\$0	\$0	\$0	\$0	\$0
2007-08	\$0	\$0	\$0	\$0	\$0
2008-09	\$0	\$0	\$0	\$0	\$0
2009-10	\$187,734	\$0	(\$1,082)	(\$4)	\$186,648
2010-11	\$276,530	\$0	\$62,245	(\$425)	\$526,085
2011-12	\$256,012	\$0	\$75,069	(\$1,159)	\$794,185
2012-13	\$113,095	\$0	\$166,757	(\$2,508)	\$997,620
2013-14	\$2,056,843	\$0	\$472,365	(\$4,999)	\$3,357,581
2014-15	\$0	\$0	\$468,569	(\$8,384)	\$3,350,400
2015-16	\$0	(\$92,658)	\$503,367	(\$11,147)	\$3,289,776
2016-17	\$0	(\$131,067)	\$854,634	(\$14,082)	\$3,507,041
2017-18	\$1,406,087	\$0	\$1,154,934	(\$17,561)	\$5,209,949
2018-19	\$0	\$0	\$1,478,800	(\$22,001)	\$5,529,375
2019-20	\$0	\$0	\$1,676,434	(\$26,759)	\$5,722,251
2020-21	\$0	(\$136,670)	\$3,239,440	(\$32,284)	\$7,143,062
2021-22	\$0	(\$66,120)	\$2,295,486	(\$38,257)	\$6,127,015
2022-23	\$0	\$0	\$2,691,269	(\$43,554)	\$6,517,501
as of 12/31/2023	\$0	\$0	\$3,106,711	(\$46,317)	\$6,930,180

CERBT/CEPPT Investment Returns Outperform Benchmarks

Periods ended November 30, 2023

Fund	Assets	1 Month	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years	ITD
CERBT Strategy 1 (Inception June 1, 2007)	\$15,698,785,087	8.26%	0.21%	0.54%	4.93%	1.50%	5.95%	5.44%	4.86%
Benchmark		8.25%	0.16%	0.46%	4.67%	1.30%	5.71%	5.09%	4.47%
CERBT Strategy 2 (Inception October 1, 2011)	\$1,832,069,717	7.79%	-0.08%	-0.28%	3.14%	-0.51%	4.59%	4.40%	5.82%
Benchmark		7.78%	-0.08%	-0.29%	2.99%	-0.64%	4.42%	4.12%	5.57%
CERBT Strategy 3 (Inception January 1, 2012)	\$745,595,400	7.24%	-0.24%	-0.77%	1.91%	-1.50%	3.61%	3.61%	4.30%
Benchmark		7.24%	-0.23%	-0.78%	1.83%	-1.59%	3.49%	3.34%	4.04%
CERBT Total	\$18,276,450,204								
CEPPT Strategy 1 (Inception October 1, 2019)	\$144,299,927	6.99%	0.44%	0.47%	4.38%	0.08%	-	-	3.01%
Benchmark		7.00%	0.40%	0.40%	4.14%	-0.10%	-	-	2.89%
CEPPT Strategy 2 (Inception January 1, 2020)	\$47,109,342	5.88%	0.35%	0.09%	2.79%	-1.96%	-	-	0.33%
Benchmark		5.87%	0.32%	0.02%	2.74%	-2.07%	-	-	0.22%
CEPPT Total	\$191,409,269								

CERBT Portfolios

2022 Capital Market Assumptions	CERBT Strategy 1	CERBT Strategy 2	CERBT Strategy 3
Expected Return	6.0%	5.5%	5.0%
Risk	12.1%	9.9%	8.4%

CERBT Portfolio Details

Asset Classification	Benchmark	CERBT Strategy 1	CERBT Strategy 2	CERBT Strategy 3
Global Equity	MSCI All Country World Index IMI (Net)	49% ±5%	34% ±5%	23% ±5%
Fixed Income	Bloomberg Long Liability Index	23% ±5%	41% ±5%	51% ±5%
Global Real Estate (REITs)	FTSE EPRA/NAREIT Developed Index (Net)	20% ±5%	17% ±5%	14% ±5%
Treasury Inflation Protected Securities (TIPS)	Bloomberg US TIPS Index, Series L	5% ±3%	5% ±3%	9% ±3%
Commodities	S&P GSCI Total Return Index	3% ±3%	3% ±3%	3% ±3%
Cash	91-Day Treasury Bill	0% +2%	0% +2%	0% +2%

Total Participation Cost Fee Rate

- Total all-inclusive cost of participation
 - Combines administrative, custodial, and investment fees
 - Separate trust funds
 - Self-funded, fee rate may change in the future
 - Fee is applied daily to assets under management
 - 10 basis points - CERBT
 - 25 basis points - CEPPT

CEPPT/CERBT Consistently Low Fee Rate History

Fiscal Year	CERBT	CEPPT
2007-2008	2.00 basis points	-
2008-2009	6.00 basis points	-
2009-2010	9.00 basis points	-
2010-2012	12.00 basis points	-
2012-2013	15.00 basis points	-
2013-2014	14.00 basis points	-
2014-2019	10.00 basis points	-
2019-2023	10.00 basis points	25.00 basis points

629 Prefunding Program Employers

604 CERBT and 94 CEPPT

- State of California
- 158 Cities or Towns
- 10 Counties
- 83 School Employers
- 32 Courts
- 345 Special Districts and other Public Agencies
 - (103 Water, 37 Sanitation, 34 Fire, 27 Transportation)

Financial Reporting

- CERBT is the Plan
 - Provides audited and compliant GASB 75 report in a Schedule of Changes in Fiduciary Net Position (FNP)
 - Published in January each year

CERBT FNP Fiscal Year	Availability
2019-20	Available at https://www.calpers.ca.gov/cerbt
2020-21	
2021-22	
2022-23	January 2024

Questions? Where to Get Trust Fund Information?

Name	Title	E-mail	Desk	Mobile
Darren Lathrop	Outreach & Support Manager	Darren.Lathrop@calpers.ca.gov	(916) 795-0751	(916) 291-0391
Lee Lo	Outreach & Support Analyst	Lee.Lo@calpers.ca.gov	(916) 795-4034	(916) 612-4128
Therese Luo	Outreach & Support Analyst	Therese.Luo@calpers.ca.gov	(916) 795-2983	(916) 213-2879
Danny Kaufman	Outreach & Support Analyst	Daniel.Kaufman@calpers.ca.gov	(916) 795-8278	(916) 440-3821
Colleen Cain-Herrback	Administration & Reporting Program Manager	Colleen.Cain-Herrback@calpers.ca.gov	(916) 795-2474	(916) 505-2506
Vic Anderson	Administration & Reporting Manager	Victor.Anderson@calpers.ca.gov	(916) 795-3739	(916) 281-8214
Robert Sharp	Assistant Division Chief	Robert.Sharp@calpers.ca.gov	(916) 795-3878	(916) 397-0756

Program E-mail Addresses	Prefunding Programs Webpages
CEPPT4U@calpers.ca.gov – Questions & Document Submittal	www.calpers.ca.gov/CEPPT
CERBT4U@calpers.ca.gov – Questions & Document Submittal	www.calpers.ca.gov/CERBT
CERBTACCOUNT@calpers.ca.gov – Online Record Keeping System	www.your-fundaccount.com/calpers

AGENDA ITEM #6F

Date: March 5, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Robert Housley, General Manager

Subject: Approve General Manager, Robert Housley's, Vacation Request for June 19, 2024 through June 28, 2024 for a total of Eight (8) Days and Approve Acting Pay for Director of Operations & Safety, Nick Castro for Eight (8) Days

BACKGROUND

The Midway City Sanitary District has a policy Resolution No. 2014-05 that provides for acting pay salary adjustments. Pursuant to District policy, the Board of Directors is to approve Acting Pay when an incumbent is absent.

DISCUSSION

GM, Robert Housley is eligible for a total of eight (8) days of vacation beginning on June 19, 2024 through June 28, 2024. While the GM is out on vacation, Director of Operations & Safety, Nicholas Castro will assume the duties of General manager.

FISCAL IMPACT

The potential fiscal impact is approximately \$908.

STAFF RECOMMENDATION

Staff recommends that the Board of Directors approve the General Manager, Robert Housley's vacation request and acting pay for Director of Operations & Safety, Nicholas Castro.

ATTACHMENTS:

1. Resolution No. 2014-05 Policy for Acting Pay Salary Adjustments

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RESOLUTION NO. 2014-05

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MIDWAY CITY SANITARY DISTRICT OF ORANGE
COUNTY, CALIFORNIA, APPROVING A POLICY FOR
ACTING PAY SALARY ADJUSTMENTS FOR
UNREPRESENTED EMPLOYEES**

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

A. On occasion, circumstances may arise in which an unrepresented employee of the Midway City Sanitary District ("District") is requested to and agrees to perform, on an interim basis, the duties and responsibilities of another District employee of a higher pay class or grade while that other District employee is on an extended leave or while such position is vacant;


B. In such circumstances, the Board of Directors may determine that the unrepresented employee who assumes such duties and responsibilities should receive an interim salary adjustment for the period of time that such duties and responsibilities are performed; and

C. The Board of Directors believes that the District should have a policy in place to establish the circumstances in which such interim salary adjustments may be implemented.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MIDWAY CITY
SANITARY DISTRICT AS FOLLOWS:


1. The Policy For Acting Pay Salary Adjustments attached hereto as Exhibit A is approved.

PASSED AND ADOPTED, at a regular meeting of the Board of Directors of Midway City Sanitary District of Orange County, California, held this 6th day of May 2014.



Frank Cobo, President

ATTEST:



Al P. Krippner, Secretary

CERTIFICATION

I, Al P. Krippner, Secretary of the Midway City Sanitary District of Orange County, California, do hereby certify that the foregoing Resolution No. 2014-05 was duly adopted at a regular meeting of the Board of Directors of said District, held on the 6th day of May 2014, by the following vote of the members of the Board:


AYES: Cobo, Neugebauer, Rice

NOES: Krippner

ABSTAIN: Diep

ABSENT:

and I further certify that Frank Cobo, as President and Al P. Krippner, as Secretary, signed and approved said Resolution on the 6th day of May 2014.



Al P. Krippner, Secretary

(District Seal)

1 _____
2 STATE OF CALIFORNIA)
3 COUNTY OF ORANGE) §§

4 I, Al P. Krippner, Secretary of Midway City Sanitary District of Orange County, California,
5 do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2014-05 passed
6 and adopted by the Board of Directors of said District at a regular meeting thereof held on the 6th day
7 of May 2014.
8

9 IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official Seal of said
10 District this 6th day of May 2014.

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12 _____
13 Al P. Krippner, Secretary

14 (District Seal)
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MIDWAY CITY SANITARY DISTRICT

Policy For Acting Pay Salary Adjustments

(Applicable To Unrepresented Employees Only)

I. PURPOSE AND SCOPE

The purpose of this policy is to outline the circumstances under which an unrepresented employee may be provided with an interim salary adjustment for work performed at a higher employment grade level during the absence of an incumbent, and to establish procedures for granting such a salary adjustment.

Acting Pay compensation may only be provided to a full-time unrepresented employee who assumes the duties and responsibilities, on an interim basis, for an employment position with a higher pay grade while retaining the duties and responsibilities associated with his/her own position.

For purposes of this policy, and unless otherwise directed by the Board of Directors, the term "Acting Pay" shall mean salary compensation at the then existing salary of the incumbent, in substitution for the employee's then existing salary. No other salary or compensation benefits shall be included within the meaning of "Acting Pay".

II. APPLICABILITY

1. Acting Pay may be provided to an unrepresented employee under the following conditions:
 - a. The employee is performing the duties and responsibilities of an employment position of a higher pay class or grade while retaining the duties associated with the employee's own existing employment position;
 - b. The incumbent of the higher level position is on extended leave or the position is vacant;
 - c. The absence of the incumbent of the higher level position or the vacancy is expected to continue for a minimum of five (5) consecutive working days;
 - d. No Acting Pay shall be provided in the absence of the approval of the Board of Directors;

- e. No authorization by the Board of Directors for Acting Pay shall be valid for longer than three (3) months without the renewed approval of the Board of Directors; and
- f. Except to the extent otherwise required by law, an employee receiving Acting Pay shall not receive any other adjustment of benefits during the period in which the employee receives Acting Pay.

III. POLICY

It is the policy of the Midway City Sanitary District to compensate an unrepresented employee for assuming, on an interim basis, some or all of the duties of another position from which an incumbent is absent, when all of the conditions set forth in Sections II and III herein have been met:

1. The employee is assigned by the Board of Directors to perform all or a majority of the significant duties of a budgeted, higher paid position from which an incumbent is absent;
2. The duties of the higher paid position are assigned to, and performed by, the designated employee for five (5) or more consecutive work days;
3. The assignment should be approved in advance by the Board of Directors but the Board of Directors may, in its discretion, retroactively provide an employee with Acting Pay from the time the incumbent becomes absent and the employee commences performance of the incumbent's duties;
4. Acting Pay shall not be provided during any period of paid leave taken by the employee during the assignment, nor shall Acting Pay apply to any leave time accrued by the employee during the assignment;
5. Employees shall be paid Acting Pay at the salary level of the position being filled. In no case shall an employee receive a salary greater than the salary range of the higher classification or incumbent; and
6. Acting Pay shall not be requested by the General Manager if the District budget has insufficient budget appropriations to meet the expense.

AGENDA ITEM #6G

Date: March 5, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Robert Housley, General Manager

Subject: Approve General Manager, Robert Housley's, Time Off Request for February 19, 2024 through February 23, 2024 for a total of Five (5) Days and Approve Acting Pay for Director of Services & Program Development, Ashley Davies for Five (5) Days

BACKGROUND

The Midway City Sanitary District has a policy Resolution No. 2014-05 that provides for acting pay salary adjustments. Pursuant to District policy, the Board of Directors is to approve Acting Pay when an incumbent is absent.

DISCUSSION

GM, Robert Housley is eligible for a total of five (5) days of bereavement leave beginning on February 19, 2024 through February 23, 2024. While the GM is out on bereavement leave, the Director of Services and Program Development, Ashley Davies assumed the duties of General manager.

FISCAL IMPACT

The potential fiscal impact is approximately \$3,538.

STAFF RECOMMENDATION

Staff recommends that the Board of Directors approve the General Manager, Robert Housley's bereavement time-off and acting pay for Director of Services & Program Development, Ashley Davies.

ATTACHMENTS:

1. Resolution No. 2014-05 Policy for Acting Pay Salary Adjustments

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RESOLUTION NO. 2014-05

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MIDWAY CITY SANITARY DISTRICT OF ORANGE
COUNTY, CALIFORNIA, APPROVING A POLICY FOR
ACTING PAY SALARY ADJUSTMENTS FOR
UNREPRESENTED EMPLOYEES**

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

A. On occasion, circumstances may arise in which an unrepresented employee of the Midway City Sanitary District ("District") is requested to and agrees to perform, on an interim basis, the duties and responsibilities of another District employee of a higher pay class or grade while that other District employee is on an extended leave or while such position is vacant;


B. In such circumstances, the Board of Directors may determine that the unrepresented employee who assumes such duties and responsibilities should receive an interim salary adjustment for the period of time that such duties and responsibilities are performed; and

C. The Board of Directors believes that the District should have a policy in place to establish the circumstances in which such interim salary adjustments may be implemented.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MIDWAY CITY
SANITARY DISTRICT AS FOLLOWS:


1. The Policy For Acting Pay Salary Adjustments attached hereto as Exhibit A is approved.

PASSED AND ADOPTED, at a regular meeting of the Board of Directors of Midway City Sanitary District of Orange County, California, held this 6th day of May 2014.



Frank Cobo, President

ATTEST:



Al P. Krippner, Secretary

CERTIFICATION

I, Al P. Krippner, Secretary of the Midway City Sanitary District of Orange County, California, do hereby certify that the foregoing Resolution No. 2014-05 was duly adopted at a regular meeting of the Board of Directors of said District, held on the 6th day of May 2014, by the following vote of the members of the Board:


AYES: Cobo, Neugebauer, Rice

NOES: Krippner

ABSTAIN: Diep

ABSENT:

and I further certify that Frank Cobo, as President and Al P. Krippner, as Secretary, signed and approved said Resolution on the 6th day of May 2014.



Al P. Krippner, Secretary

(District Seal)

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2 STATE OF CALIFORNIA)
3 COUNTY OF ORANGE) §§

4 I, Al P. Krippner, Secretary of Midway City Sanitary District of Orange County, California,
5 do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2014-05 passed
6 and adopted by the Board of Directors of said District at a regular meeting thereof held on the 6th day
7 of May 2014.
8

9 IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official Seal of said
10 District this 6th day of May 2014.

11 
12 _____
13 Al P. Krippner, Secretary

14 (District Seal)
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MIDWAY CITY SANITARY DISTRICT

Policy For Acting Pay Salary Adjustments

(Applicable To Unrepresented Employees Only)

I. PURPOSE AND SCOPE

The purpose of this policy is to outline the circumstances under which an unrepresented employee may be provided with an interim salary adjustment for work performed at a higher employment grade level during the absence of an incumbent, and to establish procedures for granting such a salary adjustment.

Acting Pay compensation may only be provided to a full-time unrepresented employee who assumes the duties and responsibilities, on an interim basis, for an employment position with a higher pay grade while retaining the duties and responsibilities associated with his/her own position.

For purposes of this policy, and unless otherwise directed by the Board of Directors, the term "Acting Pay" shall mean salary compensation at the then existing salary of the incumbent, in substitution for the employee's then existing salary. No other salary or compensation benefits shall be included within the meaning of "Acting Pay".

II. APPLICABILITY

1. Acting Pay may be provided to an unrepresented employee under the following conditions:
 - a. The employee is performing the duties and responsibilities of an employment position of a higher pay class or grade while retaining the duties associated with the employee's own existing employment position;
 - b. The incumbent of the higher level position is on extended leave or the position is vacant;
 - c. The absence of the incumbent of the higher level position or the vacancy is expected to continue for a minimum of five (5) consecutive working days;
 - d. No Acting Pay shall be provided in the absence of the approval of the Board of Directors;

- e. No authorization by the Board of Directors for Acting Pay shall be valid for longer than three (3) months without the renewed approval of the Board of Directors; and
- f. Except to the extent otherwise required by law, an employee receiving Acting Pay shall not receive any other adjustment of benefits during the period in which the employee receives Acting Pay.

III. POLICY

It is the policy of the Midway City Sanitary District to compensate an unrepresented employee for assuming, on an interim basis, some or all of the duties of another position from which an incumbent is absent, when all of the conditions set forth in Sections II and III herein have been met:

1. The employee is assigned by the Board of Directors to perform all or a majority of the significant duties of a budgeted, higher paid position from which an incumbent is absent;
2. The duties of the higher paid position are assigned to, and performed by, the designated employee for five (5) or more consecutive work days;
3. The assignment should be approved in advance by the Board of Directors but the Board of Directors may, in its discretion, retroactively provide an employee with Acting Pay from the time the incumbent becomes absent and the employee commences performance of the incumbent's duties;
4. Acting Pay shall not be provided during any period of paid leave taken by the employee during the assignment, nor shall Acting Pay apply to any leave time accrued by the employee during the assignment;
5. Employees shall be paid Acting Pay at the salary level of the position being filled. In no case shall an employee receive a salary greater than the salary range of the higher classification or incumbent; and
6. Acting Pay shall not be requested by the General Manager if the District budget has insufficient budget appropriations to meet the expense.

AGENDA ITEM #8A

Date: March 5, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Robert Housley, General Manager

Subject: Approval of Side Letter Agreement (“Agreement”) with American Federation of State, County and Municipal Employees, AFL-CIO Local 1734-01 (“Union”)

BACKGROUND

The District and the Union previously entered into a three-year Memorandum of Understanding (“MOU”) extending through June 30, 2024, which provided for a reopener for the limited purpose of negotiating an adjustment to the amount the District will pay per month per employee toward the premium for any PERS Medical Plan chosen by the employee and any dependent coverage under the District’s dental insurance plan (the “Monthly Cap”) for the year 2024.

The parties have met and consulted in good faith, have fully communicated and exchanged information concerning the reopener, and, subject to the approval of the Board of Directors of the District, have reached an agreement to increase the Monthly Cap by \$200 for the year 2024, bringing the new monthly cap to \$2,075.00 per month. The proposed agreement is attached.

FISCAL IMPACT

The fiscal impact will vary depending on each employee’s health plan choice.

A \$200.00 increase to the monthly medical plan contribution, for each employee, has the potential annual fiscal impact of \$122,400 (51 employees & annuitants benefit from the cap increase x \$200 x 12 months = \$122,400). However, only about half of the active employees would immediately benefit from the increase in the cap based on the PERS Medical Plan chosen by the employees. The amount of that benefit varies depending on the chosen plan. Thus, the District will see an approximate \$21,305.76 increase in cost for the 2024 year. Eventually, however, over time, and as health rates increase from year to year, more employees would benefit from the increase to the cap.

STAFF RECOMMENDATION

Staff recommends that the Board of Directors approve the Agreement.

ATTACHMENTS:

1. Side Letter Agreement with American Federation of State, County and Municipal Employees, AFL-CIO Local 1734-01

SIDE LETTER AGREEMENT

**BETWEEN THE MIDWAY CITY SANITARY DISTRICT ("DISTRICT")
AND THE AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL
EMPLOYEES, AFL-CIO LOCAL 1734-01 ("UNION")**

WHEREAS, the DISTRICT and the UNION entered into a three-year labor Memorandum of Understanding (Memorandum) extending through June 30, 2024, which provided for a reopener for the limited purpose of negotiating an adjustment to the amount the District will pay per month per employee toward the premium for any PERS Medical Plan chosen by the employee and any dependent coverage under the District's dental insurance plan for the year 2024; and


WHEREAS, the parties have met and consulted in good faith, have fully communicated and exchanged information concerning the reopener, and have reached an agreement for the amount the District will pay per month per employee toward the premium for any PERS Medical Plan chosen by the employee and any dependent coverage under the District's dental insurance plan for the year 2024.

NOW, THEREFORE, the parties agree as follows:


1. For the year 2024, the DISTRICT will pay an amount not to exceed \$2,075 per month per employee toward the premiums for any PERS Medical Plan chosen by the employee and any dependent coverage under the District's dental insurance plan.
2. This agreement represents a meeting of the minds between the undersigned; provided, however, that the agreement is of no force or effect until approved by the Board of Directors of DISTRICT.
3. The Memorandum dated shall continue in full force and effect.

DATED: March 05, 2024

APPROVED AS TO FORM AND CONTENT:

By 

Joseph Larsen
Labor Counsel for DISTRICT



Lori Condinus
Business Representative for UNION

Midway City Sanitary District
Negotiations Committee

[Redacted]

Board of Directors

AFSCME, AFL-CIO Local 1734-01
Negotiations Committee

[Redacted]

[Redacted]

Adopted by Members:

[Redacted]

President

AGENDA ITEM #8B

Date: March 5, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Robert Housley, General Manager

Subject: A RESOLUTION No. 2024-04 FIXING THE EMPLOYER CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS (PERS ALL EMPLOYEES)

BACKGROUND

The District participates in the Public Employees' Medical and Hospital Care Act ("PEMHCA"), which allows the District to provide health insurance benefits to its employees and annuitants through the California Public Employees' Retirement System ("CalPERS").

Pursuant to Government Code Section 22892, the District is required to establish and maintain a monthly contribution for each employee and annuitant enrolled in a CalPERS health plan.

As part of their three-year labor Memorandum of Understanding ("MOU"), the District and American Federation of State, County and Municipal Employees, AFL-CIO Local 1734-01 ("Union") agreed to reopen negotiations for the limited purpose of negotiating an adjustment to the amount the District will pay per month per employee toward the premium for any CalPERS Medical Plan chosen by the employee and any dependent coverage under the District's dental insurance plan (the "Monthly Cap") for the year 2024. After meeting and consulting in good faith, the parties agreed, pending the Board's approval, to raise the Monthly Cap by \$200 to \$2,075.00 per month for the year 2024.

Agencies changing their health benefit contributions must submit an approved resolution to CalPERS. To comply with CalPERS requirements, the Board must adopt the attached resolution reflecting the District's updated medical plan contributions for its employees and annuitants. The resolution sets the District's contribution at a maximum of \$2,075.00 per month for each employee and annuitant.

DISCUSSION

The proposed resolution is based on an agreement with the Union to adjust the Monthly Cap for 2024. The agreement is the result of the reopened negotiations between the District and the Union. Subject to the approval of the Board, the parties agreed to raise the Monthly Cap by \$200 to \$2,075.00 per month for 2024. The resolution also complies with the CalPERS rules, which require the District to submit the resolution to CalPERS. The resolution establishes the same health insurance payment for employees and retirees under the public health care law, as required by CalPERS.

FISCAL IMPACT

The fiscal impact will vary depending on each employee's health plan choice.

A \$200.00 increase to the monthly medical plan contribution, for each employee, has the potential annual fiscal impact of \$122,400 (51 employees & annuitants benefit from the cap increase x \$200 x 12 months = \$122,400). However, only about half of the active employees would immediately benefit from the increase in the cap based on the PERS Medical Plan chosen by the employees. The amount of that benefit varies depending on the chosen plan. Thus, the District will see an approximate \$21,305.76 increase in cost for 2024. However, over time, and as health rates increase from year to year, more employees could benefit from the Medical Cap increase.

STAFF RECOMMENDATION

Staff recommends that the Board of Directors approve Resolution No. 2024-04 fixing the District's contribution rate at an equal amount to employees and annuitants under the Public Employees' Medical and Hospital Care Act.

ATTACHMENTS:

1. A RESOLUTION No. 2024-04 FIXING THE EMPLOYER CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS (PERS ALL EMPLOYEES).

RESOLUTION NO. 2024-04
FIXING THE EMPLOYER CONTRIBUTION
UNDER THE PUBLIC EMPLOYEES’ MEDICAL AND HOSPITAL CARE ACT
AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS
(000 PERS ALL EMPLOYEES)

WHEREAS, (1) Midway City Sanitary District is a contracting agency under Government Code Section 22920 and subject to the Public Employees’ Medical and Hospital Care Act (the “Act”); and

WHEREAS, (2) Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and

WHEREAS, (3) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; now, therefore be it

RESOLVED, (a) That the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of \$2,075.00 per month, plus administrative fees and Contingency Reserve Fund assessments; and be it further

RESOLVED, (b) Midway City Sanitary District has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further

RESOLVED, (c) That the participation of the employees and annuitants of Midway City Sanitary District shall be subject to determination of its status as an “agency or instrumentality of the state or political subdivision of a State” that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that Midway City Sanitary District would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer; and be it further

RESOLVED, (d) That the executive body appoint and direct, and it does hereby appoint and direct, the General Manager to file with the Board a verified copy of this resolution, and to perform on behalf of Midway City Sanitary District all functions required of it under the Act; and be it further

RESOLVED, (e) That coverage under the Act be effective on May 1, 2024.

Adopted at a Regular meeting of the Board of Directors at Midway City Sanitary District of Orange County, California, this 5th day of March, 2024.

Signed: _____
Mark Nguyen, President

Attest: _____
Andrew Nguyen, Secretary

AGENDA ITEM #8C

Date: March 5, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Robert Housley, General Manager

Subject: A RESOLUTION No. 2024-05 FIXING THE EMPLOYER CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS (NON-PERS BOARD OF DIRECTORS)

BACKGROUND

The District participates in the Public Employees' Medical and Hospital Care Act ("PEMHCA"), which allows the District to provide health insurance benefits to Board Directors through the California Public Employees' Retirement System ("CalPERS").

At the April 2, 2019 Regular Board Meeting, the Board of Directors adopted Resolution No. 2019-03 setting the amount the District will pay per month toward the premium for any CalPERS Medical Plan chosen by each Director (the "Monthly Cap") effective January 1, 2020, aligning the Monthly Cap for Directors to the same Monthly Cap for current employees at that time of \$1,875.00 (per month).

The District and the American Federation of State, County and Municipal Employees, AFL-CIO Local 1734-01 ("Union") recently reached an agreement to increase the Monthly Cap for represented employees by \$200 for the year 2024, bringing the new monthly cap to \$2,075.00 per month.

If the Board chooses to increase its Monthly Cap also, to align with the same Monthly Cap for District employees and to follow PERS requirements, the Board must adopt the attached resolution reflecting the District's medical plan contributions for its Directors. Once adopted, the fixed amount of the District's contribution for each Director will be a maximum of \$2,075.00 per month.

DISCUSSION

The Board is requested to adopt a resolution to increase the Monthly Cap for the Directors' health insurance to match the Monthly Cap for the employees' health insurance for 2024. The Monthly Cap is the amount the District pays for each Director's or employee's health insurance per month.

The proposed action is based on the following findings and justification:

- The District and the Union have agreed to raise the Monthly Cap for employees by \$200 to \$2,075.00 per month for the year 2024, subject to the Board's approval.

- The Board has the option to increase its own Monthly Cap to the same level as the employees' and meet the PERS requirements. PERS requires that the employer contribution for the Directors' health insurance be fixed and publicly adopted by resolution.
- The Board previously set its Monthly Cap at \$1,875.00 per month starting from January 1, 2020, which was the same as the employees' Monthly Cap at that time. The Board may wish to maintain the alignment between the Directors' and the employees' Monthly Cap for consistency.

The key features of the resolution are:

- The resolution will set the Monthly Cap for each Director at \$2,075.00 for the year 2024.
- The resolution will ensure the District's compliance with PERS rules.

FISCAL IMPACT

Adoption aligns the monthly cap for Board Members to the same proposed monthly cap for current employees to \$2,075.00 per month (a \$200.00 monthly increase). The potential fiscal impact is \$12,000.00 annually (5 Directors). However, only one Board member would immediately benefit from the increase in the cap. Eventually, over time as health rates increase from year to year, more Directors could benefit from the increase in the cap.

STAFF RECOMMENDATION

Staff recommends the Board approve Resolution No. 2024-05 fixing the employer's contribution rate at an equal amount to employees and annuitants under the Public Employees' Medical and Hospital Care Act for the Board of Directors.

ATTACHMENTS:

1. A RESOLUTION No. 2024-05 FIXING THE EMPLOYER CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS (NON-PERS BOARD OF DIRECTORS)

RESOLUTION NO. 2024-05
FIXING THE EMPLOYER CONTRIBUTION
UNDER THE PUBLIC EMPLOYEES’ MEDICAL AND HOSPITAL CARE ACT
AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS
(700 NON-PERS BOARD OF DIRECTORS)

WHEREAS, (1) Midway City Sanitary District is a contracting agency under Government Code Section 22920 and subject to the Public Employees’ Medical and Hospital Care Act (the “Act”); and

WHEREAS, (2) Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and

WHEREAS, (3) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; now, therefore be it

RESOLVED, (a) That the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of \$2,075.00 per month, plus administrative fees and Contingency Reserve Fund assessments; and be it further

RESOLVED, (b) Midway City Sanitary District has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further

RESOLVED, (c) That the participation of the employees and annuitants of Midway City Sanitary District shall be subject to determination of its status as an “agency or instrumentality of the state or political subdivision of a State” that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that Midway City Sanitary District would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer; and be it further

RESOLVED, (d) That the executive body appoint and direct, and it does hereby appoint and direct, the General Manager to file with the Board a verified copy of this resolution, and to perform on behalf of Midway City Sanitary District all functions required of it under the Act; and be it further

RESOLVED, (e) That coverage under the Act be effective on May 1, 2024.

Adopted at a regular meeting of the Board of Directors at Midway City Sanitary District of Orange County, California, this 5th day of March, 2024.

Signed: _____
Mark Nguyen, President

Attest: _____
Andrew Nguyen, Secretary

NOTICE OF PUBLIC HEARING

Local Agency Formation Commission of Orange County

NOTICE IS HEREBY GIVEN that a public hearing will be held by the Local Agency Formation Commission of Orange County (OC LAFCO) to consider a proposed budget for Fiscal Year 2024-25 and to update the Commission's Fee Schedule. The proposed budget identifies the operating expenditures for the 2024-25 Fiscal Year together with the estimated revenues. The fee schedule identifies the required fees, charges, and deposits for processing various applications and other services provided by the Commission and OC LAFCO staff. The review, approval, and notice of this budget will be performed consistent with Government Code Section 56381. The staff report and proposed budget will be available by March 6, 2024 on the OC LAFCO website at www.oclafco.org.

The public hearing is scheduled to take place Wednesday, March 13, 2024 at 8:15 a.m. at the County Administrative North (CAN), First Floor Multipurpose Room 101, 400 W. Civic Center Drive, Santa Ana, CA 92701. At the hearing, the Commission will consider oral and written testimony by any interested person or affected agency and the report of the Executive Officer.

For more information, please contact Luis Tapia, Assistant Executive Officer, at (714) 640-5100.

CAROLYN EMERY
Executive Officer

Dated: February 20, 2024