

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

**March 10, 2020**

**CALL TO ORDER**

President C. Nguyen called the special meeting of the Governing Board of the Midway City Sanitary District to order at 14451 Cedarwood Avenue, Westminster, California on Tuesday, March 10, 2020 at 5:30 P.M.

**BOARD MEMBERS PRESENT:**

Al P. Krippner (absent)  
Margie L. Rice  
Andrew Nguyen  
Sergio Contreras  
Chi Charlie Nguyen

**OTHERS AT MEETING:**

Kenneth Robbins, General Manager  
Robert Housley, Finance/HR Director  
Danielle Gerardo, Board Secretary

**PLEDGE AND INVOCATION**

Director S. Contreras led the Pledge of Allegiance. Director M. Rice gave the Invocation.

**PUBLIC COMMENTS**

None

**NEW BUSINESS**

A. Budget Workshop – Overview of the Fiscal Year 2020-2021 (July 1, 2020 through June 30, 2021) Operating Budget, Capital Improvement Projects and Reserves

Finance/HR Director R. Housley provided a power-point presentation and explained the District's budget for 2020-2021 in detail. He stated that the total residential population served by the District is about 103,984 with 20,788 residential and commercial solid waste customers and 34,893 total sewer connections.

Finance/HR Director R. Housley stated that the Districts solid waste drivers service approximately 3,888 residences per day.

The District's residential solid waste rate of \$177 per year and sewer rate of \$87 per year remain unchanged since 2006-2007. Commercial rates are tiered depending on the type of business and range from \$119.49 to \$459.96. Commercial bins from CR&R will have a potential CPI increase of 3.1% and the Orange County Landfill will have a CPI increase of 1.76%, both effective as of July 1, 2020.

The District's revenue for fiscal year 2020-2021 are expected to be \$12,652,412, with expenses at \$9,497,698, depreciation for reserves at \$1,458,000, capital outlay and improvements estimated at \$3,250,000 and possible payments towards unfunded liabilities estimated to be \$500,000, leaving a balance of \$862,714. The District's user fees account for 54.10% of its revenue, and property taxes and pass-through funds account for 32.36%.

The District's solid waste department makes up 53.27% of the District's expenses, sewer is 16.9%, administration is 21.76%, fleet maintenance is 5.17% and the Board of Directors makes up 2.89%. Salaries and wages make up 25%, benefits are 13%, residential tonnage of the black and green containers is 23%, day to day operations of the District are 23.6%, and depreciation and amortization is 15.4%. The District is debt free and continues to pay for retirement, health and unfunded liabilities as it can.

Finance/HR Director R. Housley reviewed the capital outlay and improvement budget of \$3,250,000 which is for the District's new building construction and solar project and a potential \$500,000 payment towards the District's unfunded liabilities. There is also the potential to add one front loader solid waste truck.

The District has six reserve funds specified for Operating Funds, Orange County – Midway City, Lift (Pump) Station and Sewer Lines, Vehicle Replacement, Building Equipment and Facilities and CNG Fueling Facilities with a total goal level of \$76,000,000 and are 54% funded at this time.

Finance/HR Director R. Housley stated that the District has a total of 28 employees – 7 in the Administration Department, 14 in Solid Waste, 4 in the Sewer Department, 3 in Fleet Maintenance, and 5 Board Members. The current Memorandum of Understanding (MOU) expires on June 30, 2021. A 3% Cost of Living Allowance (COLA) for represented employees is in the proposed budget with step increases included. The health insurance cap of \$1,875 per month remains the same and premiums for dental, life and vision insurance for employees are paid by the District. Dependents are paid for by the employee. CalPERS retirement rates for employer contributions will see minimal

increases and all employees pay 100% of their employee contribution towards CalPERS retirements. There are currently 16 employees in Tier 1 (Closed - 3% @60), 2 in Tier 2 (Classic - 2% @55) and 9 in Tier 3 (PEPRA - 2% @62).

The District will budget 2% for property taxes, user fees will remain the same, the District's 339 special agreements will be increased 2%, franchise fees will be limited to 14% and investment earnings are projected at 1.0 - 1.5%.

Residential tonnage fees from OC Waste and Recycling landfill will increase 1.76% and CR&R service will increase 3.1%. Residential solid waste black carts will increase from \$54.31 to \$55.63 – a potential increase of \$38,000 and residential organics green carts will increase from \$93.00 to \$95.88 – a potential increase of \$26,000. These expenses for residential tonnage fees continue to increase and continue to be absorbed by the District and are not passed on to the residential customer.

Finance/HR Director R. Housley stated that the next budget meeting and workshop would be held on Tuesday, April 28, 2020 and final adoption on Tuesday, May 19, 2020.

There was discussion regarding the benefit of the public radio outreach done by the Directors.

## **INFORMATIONAL ITEMS**

None

## **BOARD CONCERNS/COMMENTS**

Director A. Nguyen asked if the District purchased a new shredder.

GM K. Robbins stated that he purchased one immediately after the Board approved it.

Director M. Rice thanked Finance/HR Director R. Housley for the easy to understand and presentation of the budget.

## **GM/STAFF CONCERNS/COMMENT**

GM K. Robbins stated that the 2020 Waste Expo in New Orleans, which was originally scheduled in May, has been postponed until October.

## GENERAL COUNSEL CONCERNS/COMMENTS

None

## CLOSED EXECUTIVE 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.

None

## ADJOURNMENT

President C. Nguyen adjourned the meeting to Tuesday, March 17, 2020 at 5:30 P.M. at the District office at approximately 6:24 P.M.

Sergio Contreras  
Sergio Contreras, Secretary