

**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**

**May 23, 2019**

**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 Thursday, May 23, 2019 at 5:00 P.M.

**BOARD MEMBERS PRESENT:**

Al P. Krippner  
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**

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

**PUBLIC COMMENTS**

None

## **NEW BUSINESS**

### **A. Budget Workshop – Overview of the Fiscal Year 2019-2020 (July 1, 2019 through June 30, 2020) Operating Budget, Capital Improvement Projects and Reserves**

Finance/HR Director R. Housley stated that the Board was being presented with a draft of the budget for fiscal year 2019-2020, almost in its entirety, with the exception of few resolutions. He explained that the Executive Summary contained an overview of the budget with 54% of the District's income coming from user fees, and 30% from property taxes and pass through funds.

President C. Nguyen asked how the District collects user fees.

Finance/HR Director R. Housley stated that the District calls it the "parcel program" which is a spreadsheet that the District provides to the Orange County Assessor's Office once a year. The Assessor's Office then puts it on the tax roll, (which is anybody that owns property within the District) the funds are collected by the Treasurer and the Auditor/Controller disperses the funds.

President C. Nguyen asked what would happen if the District needed to increase its rates and fees.

Finance/HR Director R. Housley stated that the District would need to go through a 218 process. The District would need to let the public know that the District was contemplating a rate increase, there would be a public hearing at the District with the public given the opportunity to speak for or against the rate increase and engage with the Board, and if less than 51% of the public was not opposed, the Board would then make the decision whether to do a rate increase or not.

GM K. Robbins stated that the District is currently operating below the GANN property tax appropriation limit, which is the goal, and that property tax is used for capital improvements. He stated that California Special Districts Association (CSDA) has also been fighting for Special Districts, but that most other neighboring Districts are raising their rates due to rising costs.

Director A. Nguyen asked what "other revenue sources" in the budget were.

Finance/HR Director R. Housley stated that would mainly be fees for sewer plans and permits.

Finance/HR Director R. Housley explained the District's expenses by department, with Solid Waste taking up 53.23%, Sewer at 17.28%, Administration at 21.97%, Fleet Maintenance at 5.19% and Board of Directors at 2.33%.

Director A. Nguyen asked what the amount spent on overtime was for last year.

Finance/HR Director R. Housley stated that he would provide that number to the Board.

Director A. Krippner asked if the budget was available on the District's website and if it was also in Vietnamese.

Finance/HR Director R. Housley stated that it is on the website but it is not in Vietnamese.

There was discussion as to whether maybe just the summary could be translated into Vietnamese, since the budget document is so large. No direction was given.

Finance/HR Director R. Housley reviewed the District's CalPERS employer contribution rates, the tonnage fees paid by the District for solid waste and the District's reserves by category and the percentage that each is funded. The Operating Budget Summary total for the District is \$12,596,301, Capital Outlay and Improvements Budget is \$2,455,000 and the Operating Expenses Budget is \$9,438,842 for fiscal year 2019-2020.

Director S. Contreras asked if the District could get a grant for electric vehicle charging stations.

GM K. Robbins stated that he has been asking the lobbyist about it but that there is nothing available to the District. He will continue to look and will let the District know if something becomes available.

President C. Nguyen asked why the District had to pay LAFCO \$21,000.

Finance/HR Director R. Housley stated that OC LAFCO is Local Agency Formation Commission and was created by the State. They oversee all local jurisdictions and government agencies. Their job is to supervise and oversee and there is a cost to operate that agency. He stated that counties pay 1/3 of their budget, cities pay 1/3 and special districts pay 1/3. The District's portion is based on a percentage of its income.

GM K. Robbins stated that the District pays a fee to the Regional Water Quality Board and AQMD for instance, all in order to regulate the District.

Finance/HR Director R. Housley stated that a new agency was recently created by the State through the Dig Alert system due to all the fires in northern California.

Finance/HR Director R. Housley stated that the District has a large infrastructure which includes the sewer lines and the CNG station in the District yard, with a high replacement cost of \$670 million in the case of an emergency, which is the reason for reserves.

Finance/HR Director R. Housley stated that the final budget document would be on the June 18, 2019 agenda for final approval by the Board and the final document would be

printed after the fiscal year ends on June 30, 2019 so that all the numbers reflect all the year-end revenues and costs.

### INFORMATIONAL ITEMS

None

### BOARD CONCERNS/COMMENTS

Director M. Rice thanked Finance/HR Director R. Housley for the clear and easy to read budget, with all the District's policies included.

Director S. Contreras stated that he appreciated the thorough study session and found it very informative. He stated that he finds it fascinating at how trim the District is able to run.

President C. Nguyen thanked everyone for their questions and input.

### GM/STAFF CONCERNS/COMMENTS

None

### GENERAL COUNSEL CONCERNS/COMMENT

None

### CLOSED EXECUTIVE SESSION

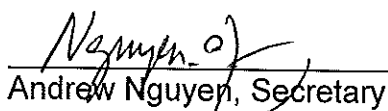
**CLOSED SESSION:** During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chair may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters, pursuant to Government 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, June 4, 2019 at 5:00 P.M. at the District office at approximately 6:05 P.M.

  
Andrew Nguyen, Secretary