

**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**

February 22, 2022

CALL TO ORDER

President A. 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, February 22, 2022 at 5:30 P.M.

BOARD MEMBERS PRESENT:

Tyler Diep (arrived @ 6:01 P.M.)
Sergio Contreras
Chi Charlie Nguyen
Andrew Nguyen
Mark Nguyen

OTHERS AT MEETING:

Ken Robbins, General Manager
Robert Housley, Finance/HR Director
James Eggart, General Counsel (via teleconference)
Danielle Gerardo, Executive Board Secretary

PLEDGE AND INVOCATION

Director M. Nguyen led the Pledge of Allegiance and gave the Invocation.

PUBLIC COMMENTS

None

NEW BUSINESS

- A. Budget Workshop – Overview of the Fiscal Year 2021-2022 (July 1, 2021 through June 30, 2022) Operating Budget, Capital Improvement Projects and Reserves
(Roll Call Vote)

Director T. Diep arrived at the meeting at 6:01 P.M.

Finance/HR Director R. Housley provided the Board with an overview of the District's operating budget, capital improvement projects and reserves for the fiscal year 2022-2023 stating that the District serves over 100,000 residents in Westminster and Midway City, has over 20,062 parcels within 10.4 square miles, over 35,000 sewer connections with over 170 miles of sewer pipes, four lift stations, has almost 20,000 residential solid waste customers, a three-cart system for organics and recyclables, is the only agency in Orange County that has its own solid waste fleet in-house, and that the solid waste and sewer trucks run on 100% renewable CNG fuel.

Finance/HR Director R. Housley stated that for this fiscal year, the District's projected revenue is approximately \$13.9 million and expenses approximately \$9.4 million. The District's capital outlay and improvements budget is a little over \$6 million and includes the building projects, the solar, possibly another CNG truck, and \$500,000 to be used towards unfunded liabilities. He stated that if everything happens the way it is planned, the District's fund will decrease by approximately \$2 million dollars.

Finance/HR Director R. Housley stated that the District's service fees which are put on the tax levy – sewer and solid waste fees – are approximately 51% and property tax fees are approximately 35%.

There was discussion regarding the auditing of the black containers, the rate study that the District is doing and the possibility of a modest rate increase.

Finance/HR Director R. Housley reviewed the District's expenses stating that salaries and wages are approximately 25%, benefits approximately 12%, residential tonnage (trash and organics) are approximately 23%, and operational day-to-day functions of the District, including depreciation, are approximately 40%. He stated that there could potentially be additional discretionary payments for the District's CalPERS retirement and health unfunded liabilities estimated to be approximately \$500,000 and that the District is debt free.

Director T. Diep arrived at the meeting at 6:01 P.M.

Finance/HR Director R. Housley reviewed the District's capital outlay and improvement budget which includes the building and solar projects, one new class C vehicle and one new side loader truck, a steam cleaner for the wash rack, and new sewer lift station pumps and SCADA system upgrades. He also reviewed the District's labor and benefits for its 31 employees and 5 Board members including a 3% cost of living allowance and step increases, health insurance and CalPERS retirement rates.

Finance/HR Director R. Housley stated that the District's revenues are distinct and stable and include a budget for property taxes, residential sewer and solid waste service fees, commercial, industrial and other business sewer service fees, 339 special agreements, franchise fees for commercial and industrial solid waste services and investment earnings.

INFORMATIONAL ITEMS

None

BOARD CONCERNS/COMMENTS

Director S. Contreras complimented Finance/HR Director R. Housley on a great job on the clear and concise budget report.

Director M. Nguyen thanked staff for the hard work and clear presentation and informed the Board and staff of the date of the memorial services for his mother.

GM/STAFF CONCERNS/COMMENT

GM K. Robbins thanked the Board for their participation, communication and their team effort.

Finance/HR Director R. Housley thanked the Board for their support and stated that it is all about the decisions that are made.

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 A. Nguyen adjourned the meeting to Tuesday, March 1, 2022 at 5:30 P.M. at the District office at approximately 6:32 P.M.

Sergio Contreras
Sergio Contreras, Secretary