

## RESOLUTION NO. 2026-02

### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY RATIFYING AND IMPLEMENTING CHANGES TO THE COMPENSATION OF THE GENERAL MANAGER AND APPROVING A FIRST AMENDMENT TO THE GENERAL MANAGER EMPLOYMENT AGREEMENT

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

**WHEREAS**, the Midway City Sanitary District ("District") and Robert Housley entered into an Employment Agreement ("Employment Agreement"), effective March 8, 2023, appointing Mr. Housley as the District's General Manager and establishing his compensation and benefits and other terms of his employment; and

**WHEREAS**, Section 1 of the Employment Agreement currently provides that it shall terminate at midnight on March 8, 2026; and

**WHEREAS**, Section 5 of the Employment Agreement sets forth the terms of the Agreement pertaining to the base salary to be paid to the General Manager by the District for the Term of the Employment Agreement; and

**WHEREAS**, Section 4 of the Employment Agreement provides that following each annual performance evaluation, the Board of Directors may in its sole discretion grant the General Manager a performance bonus equal to 0-10% of his then-current annual base salary which, if awarded, must be approved by minute action of the Board and ratified by resolution; and

**WHEREAS**, pursuant to Government Code Section 54957(b)(1), the Board of Directors convened in closed session on February 3, 2026, for the purpose of conducting the annual performance evaluation of the General Manager, an unrepresented employee, in accordance with Section 4 of the Employment Agreement; and

**WHEREAS**, pursuant to Government Code Section 54957.6, the Board of Directors separately convened in closed session on February 3, 2026, for the purpose of providing direction to its duly appointed designated representatives regarding labor negotiations with the General Manager, an unrepresented employee, regarding his compensation and the terms of his Employment Agreement, which negotiations took place outside of the closed session meeting; and

**WHEREAS**, following completion of the annual performance evaluation of the General Manager during closed session on February 3, 2026, and negotiations between the General Manager and the Board's duly appointed designated representatives outside of the closed session, the Board of Directors reconvened in open session and by minute action unanimously voted as follows: (1) to approve and award a one-time performance bonus to the General Manager pursuant to the Employment Agreement in the amount of \$20,000; (2) to direct the District's General Counsel to prepare a resolution ratifying this minute action for final approval and ratification by the Board of Directors during open session at its regularly scheduled Board meeting to be held on February 17, 2026, (3) and to further direct the District's General Counsel to prepare an amendment to the Employment Agreement for consideration by the Board of Directors at its regularly scheduled Board meeting to be held on February 17, 2026 (a) to extend the Term of the Employment Agreement for an additional three (3) years, through March 8, 2029, (b) to increase the General Manager's current annual base salary from \$235,000 to \$255,000, effective March 8, 2026, and (c) to provide for automatic annual adjustments to the General Manager's annual base salary during the second and third years of the extended Term of the Employment Agreement in a percentage amount equal to the percentage increase, if any, to the salary schedule for represented (union) employees of the District; and

**WHEREAS**, the Board of Directors desires to ratify and implement the minute action taken by the Board of Directors during open session on February 3, 2026, to award a one-time performance bonus to the General Manager pursuant to the terms of the Employment Agreement and to approve an amendment of the Employment Agreement to extend its term and to establish the General Manager's compensation for the extended term.

**NOW, THEREFORE**, the Board of Directors of the Midway City Sanitary District resolves as follows:

Section 1: The above recitals are true and correct and incorporated herein by reference.

Section 2: Effective February 3, 2026, the General Manager is awarded a one-time performance bonus in the amount of \$20,000.

Section 3: The First Amendment to the General Manager Employment Agreement attached as Exhibit "A" to this Resolution is hereby approved and the President is hereby authorized to execute said First Amendment on behalf of the District.

Section 4: This Resolution shall take effect immediately upon adoption.

**PASSED AND ADOPTED**, at a regular meeting of the Board of Directors of Midway City Sanitary District of Orange County, California, held this 17th day of February, 2026.



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Chi Charlie Nguyen, President

ATTEST:



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Sergio Contreras, Secretary

**CERTIFICATION**

I, Sergio Contreras, Secretary of the MIDWAY CITY SANITARY DISTRICT of Orange County, California, do hereby certify that the foregoing Resolution No. 2026-02 was duly adopted at a meeting of the Governing Board of said District held on the 17th day of February, 2026, by the following vote of the members of the Board:

AYES: C. Nguyen, A. Nguyen, M. Nguyen, Diep, Contreras  
NOES:  
ABSENT:

and I further certify that Chi Charlie Nguyen, as President, and Sergio Contreras, as Secretary, signed and approved said Resolution No. 2026-02 on the 17th day of February, 2026.

  
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Sergio Contreras, Secretary

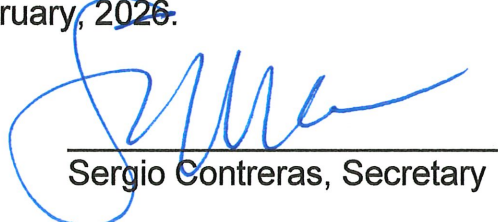
(District Seal)

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STATE OF CALIFORNIA        )  
  ) ss.  
COUNTY OF ORANGE        )

I, Sergio Contreras, Secretary of the Midway City Sanitary District of Orange County, California, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2026-02 passed and adopted by the Board of Directors of said District at a meeting thereof held on the 17th day of February, 2026.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed my official Seal of said District this 17th day of February, 2026.

  
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Sergio Contreras, Secretary

**EXHIBIT "A"**

**FIRST AMENDMENT TO EMPLOYMENT AGREEMENT**

**FIRST AMENDMENT TO EMPLOYMENT AGREEMENT  
GENERAL MANAGER**

THIS FIRST AMENDMENT TO EMPLOYMENT AGREEMENT (“First Amendment”) is made and entered into, to be effective March 1, 2026, by and between the MIDWAY DISTRICT SANITARY DISTRICT, a California municipal corporation organized and existing under the laws of the State of California (hereinafter referred to as “District”), and ROBERT HOUSLEY, an individual (hereinafter referred to as “Housley” or “General Manager”). District and Housley are sometimes hereinafter individually referred to as “party” and are hereinafter collectively referred to as the “parties.”

**RECITALS**

A. District and General Manager previously entered into an Employment Agreement (“Agreement”), effective March 8, 2023 (“Effective Date”).

B. Section 1 of the Agreement currently provides that it shall terminate at midnight on March 8, 2026.

C. Section 5 of the Agreement sets forth the terms of the Agreement pertaining to the base salary to be paid to General Manager by the District for the Term of the Agreement.

D. District and General Manager mutually desire to amend the Agreement to extend its termination date by three (3) years and to establish the General Manager’s annual base salary for each of these three (3) additional years.

**AGREEMENT**

**THE PARTIES MUTUALLY AS FOLLOWS:**

1. Subsection B of Section 1 (Appointment and Term) of the Agreement (as modified by this First Amendment) is hereby replaced in its entirety to read as follows:

“B. The Term of this Agreement shall commence on the Effective Date and terminate at midnight on March 8, 2029, unless extended or terminated as provided for herein. District and General Manager may extend the Term of this Agreement by mutual written agreement, which shall be memorialized in an amendment to this Agreement. District and General Manager each agrees, if practicable, to provide the other with advance written notice of its or his intent not to renew this Agreement at least thirty days prior to expiration of the Term; provided, however that neither the non-renewal of this Agreement, nor the failure to provide notice of the intent not to renew this Agreement, shall constitute a breach of this Agreement or “termination” of the Agreement pursuant to Section 7 below.”

2. Section 5 (Salary) of the Agreement (as modified by this First Amendment) is hereby replaced in its entirety to read as follows:

**“Section 5: Salary”**

A. As compensation for the professional services to be performed hereunder, District agrees to pay General Manager an annual base salary of Two Hundred Fifty-Five Thousand dollars (\$255,000), which salary shall be deemed effective March 8, 2026 and shall be increased annually for the Term of this Employment Agreement as follows: (i) effective March 8, 2027, the General Manager’s annual base salary shall be increased by a percentage amount equal to the percentage increase, if any, to the salary schedule for represented (union) employees covered by the Memorandum of Understanding between the District and the American of State, County, and Municipal Employees, AFL-CIO Local 1734-01, for the annual period commencing July 1, 2026; (ii) effective March 8, 2028, the General Manager’s annual base salary shall be increased by a percentage amount equal to the percentage increase, if any, to the salary schedule for represented (union) employees covered by the Memorandum of Understanding between the District and the American of State, County, and Municipal Employees, AFL-CIO Local 1734-01, for the annual period commencing July 1, 2027. General Manager’s annual base salary shall be subject to deductions and withholdings of any and all sums required for federal or state income tax, other deductions or withholdings required by then current state, federal or local law, and paid not less than bi-weekly in accordance with the District’s established accounting and payroll practices at the same time and in the same manner as other employees of the District are paid. The District shall also deduct from his annual base salary any applicable sums that General Manager is obligated to pay because of participation in plans or programs described in Section 6 of this Agreement and General Manager hereby authorizes such deductions.

B. Any increases in the annual base salary of General Manager, to the extent provided, may be made effective at any time and shall be made in the sole discretion of the District Board. Increases in General Manager’s annual base salary shall require an amendment to this Agreement to be effective.

C. General Manager’s annual base salary shall not be subject to or affected by any Cost of Living or Consumer Price Index adjustments approved by the District Board to the salaries of other unrepresented (non-union) employees.

3. Except as expressly amended pursuant to this Amendment, all other provisions of the Agreement shall remain in full force and effect.

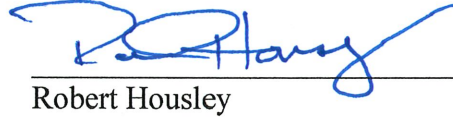
*[SIGNATURES ON FOLLOWING PAGE]*

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date reflected above.

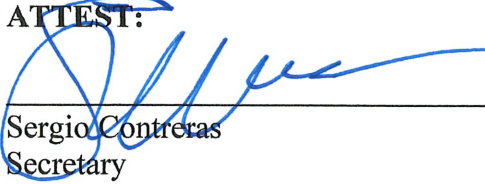
**MIDWAY CITY SANITARY DISTRICT**

**GENERAL MANAGER**

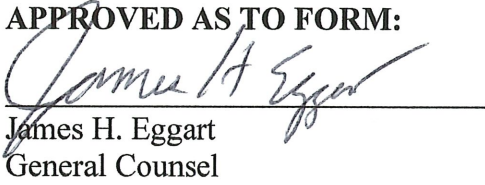
  
\_\_\_\_\_  
Chi Charlie Nguyen  
President

  
\_\_\_\_\_  
Robert Housley

**ATTEST:**

  
\_\_\_\_\_  
Sergio Contreras  
Secretary

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
James H. Eggart  
General Counsel