

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

**Tuesday, April 16, 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. PRESENTATIONS**
- 5. APPROVAL OF THE MINUTES**

A. Approval of the Minutes of the Regular Meeting on April 2, 2024

6. 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 Outreach Committee Meeting on April 3, 2024
- E. Report of Franchise Committee Meeting on April 10, 2024
- F. Report of Clean-up Event at Sigler Park on April 13, 2024
- G. Report of Special District Leadership Academy (SDLA) on April 15-16, 2024

7. 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 \$1,250,841.44
- B. Approve and File the Treasurer's Investment Report for March 2024
- C. Approve the April 3, 2024 Outreach Committee Recommendations
- D. Receive and File the Engineer Report for March 2024
- E. Approve a \$1000 Safety Award to Utility/Relief Driver, Juan Arvizu Sr. for Protecting the Community and Saving Solid Waste Truck NG-13 from a Fire on March 19, 2024
- F. Approve and Authorize the General Manager to Execute a Professional Services Agreement with Procure America for Cost Recovery and Reduction Services in the Areas of Utilities and Treasury Services

8. OLD BUSINESS

None.

9. NEW BUSINESS

- A. A **RESOLUTION NO. 2024-08** OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, ESTABLISHING A POLICY APPLICABLE TO DISTRICT DEPOSITS AND INVESTED FUNDS
- B. A **RESOLUTION NO. 2024-09** OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, APPROVING THE ANNUAL STATEMENT OF INVESTMENT POLICY FOR FISCAL YEAR 2024-2025 (JULY 1, 2024 THROUGH JUNE 30, 2025)

10. INFORMATIONAL ITEMS

- A. ISDOC Quarterly Luncheon – April 25, 2024

11. BOARD CONCERNS AND COMMENTS

12. GM/STAFF CONCERNS AND COMMENTS

13. GENERAL COUNSEL CONCERNS AND COMMENTS

14. 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. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Gov Code § 54956.9 (d)) Jonathan H. Cannon et al v. Midway City Sanitary District
(Case No. 8:21-CV-01072 DOC (ADSx))

15. ADJOURNMENT TO TUESDAY, MAY 21, 2024

**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**

April 2, 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, April 2, 2024 at 5:34 P.M.

BOARD MEMBERS PRESENT:

Mark Nguyen
Tyler Diep
Chi Charlie Nguyen (arrived at 5:36 P.M.)
Andrew Nguyen

STAFF MEMBERS PRESENT:

Robert Housley, General Manager
Milo Ebrahimi, District Engineer, P.E
Cynthia Olsder, Executive/Board Secretary

BOARD MEMBERS ABSENT:

Sergio Contreras

OTHERS PRESENT:

James H. Eggart, General Counsel Woodruff & Smart
Brian Hamblet, Burke, Williams, Sorensen, LLP
Yousef Alinaghian, CRC Cloud
Julie Barreda, Regional VP CR&R
Vanessa Johnson, Director City of Westminster
Kimberly Ho, Vice Mayor District 3
Thien Nguyen, Radio Bolsa
Nhu Hao, Me Vietnam Radio
James R. Fisler, OC LAFCO Commissioner & Mesa Water Director
John Lewer, Consultant Mesa Water District
Crystal Lynn, California CLASS
Bob Shull, California CLASS

PLEDGE OF ALLEGIANCE AND INVOCATION:

Director A. Nguyen led the Pledge of Allegiance. Director T. Diep gave the Invocation.

Director C. Nguyen arrived at 5:36 P.M.

PUBLIC COMMENTS:

J. Fisler, Commissioner of the Orange County Local Agency Formation (LAFCO) provided an update relevant to special districts in Orange County. He also handed out a newsletter for distribution. He is running for reelection to OC LAFCO and is hoping to get the support of the District.

PRESENTATIONS:

The Board recognized and presented certificates of recognition to the following sponsors of the 2024 Open House Event: City of Westminster, CR&R, CRC Cloud, Me Vietnam Radio, and Radio Bolsa.

APPROVAL OF THE MINUTES OF THE REGULAR MEETING ON MARCH 19, 2024

A motion was made by Director T. Diep, seconded by Director A. Nguyen, to approve the minutes of the regular meeting on March 19, 2024. The motion was approved by the following 4-0 vote:

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

NAYS:

ABSTAIN:

ABSENT: S. Contreras

REPORTS:**Report of President**

None

Report of General Manager

GM R. Housley reported on upcoming events at the district. He gave an update on the hiring process for the roles of the Finance/HR Director's, the Utility/Relief Driver's position, and electric charging stations. Additionally, he mentioned that four District vehicles would soon need to be replaced.

Report of District Employee Luncheon on March 27, 2024

Director C. Nguyen, Director T. Diep, and Director A. Nguyen attended the luncheon to recognize Shannan Clarke for her exceptional customer service to the community she serves and to present S. Gonzalez with a 10-year Safe Driving Award.

Report of OC San District Board of Directors Meeting on March 27, 2024

Director A. Nguyen reported that OC San was recognized at the National Association of Clean Water Agencies Conference with the National Environmental Achievement Award in Community Leadership for the final completion of the groundwater replenishment system (GWRS). Additionally, he reminded the Board that OC San will hold its Community Open House on Saturday, June 8, 2024 in honor of 70 years of environmental excellence.

Report of the Westminster Bunny Hop Events at Gillispie Park on March 23, 2024 and Boys & Girls Club on March 30, 2024

Director C. Nguyen attended both events and reported that a large number of people showed up despite the pouring rain.

CONSENT CALENDAR:

- A. Receive and File the Register of Demands in the Amount of \$638,227.88
- B. Recognition and Approval of a 15-year Accident and Injury Free Award for Fleet Maintenance Mechanic, Michael LaFreniere, in the Amount of \$500.00

- C. Approve General Manager, Robert Housley's Vacation Request for August 26, 2024 through August 30, 2024 for a Total of Five (5) Days and Approve Acting Pay for Director of Services & Program Development, Ashley Davies for Five (5) Days

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 4-0 vote:

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

NAYS:

ABSTAIN:

ABSENT: S. Contreras

OLD BUSINESS:

None

NEW BUSINESS:

- A. Consider Participating in California CLASS Joint Powers Authority and the Investment of up to \$2,000,000 in the California Class Prime Fund

B. Shull from California CLASS gave a presentation and invited questions and answers.

A staff report and recommendations were provided to and considered by the Board. A motion was made by Director A. Nguyen, seconded by President M. Nguyen, to direct the General Manager to prepare the California CLASS Participant Registration Packet with California CLASS and to invest \$2,000,000 from LAIF in the California CLASS Prime Fund. The motion was approved by the following 4-0 vote:

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

NAYS:

ABSTAIN:

ABSENT: S. Contreras

INFORMATIONAL ITEMS:

- A. Nomination Period and Appointment Process for the OC LAFCO Regular Special District Member Seat
- B. Declaration and Candidacy of James R. Fisler for Re-Election to OC LAFCO representing the Special Districts of Orange County

Receive and File.

BOARD CONCERNS AND COMMENTS:

President M. Nguyen shared that he attended the Republic of the South Vietnam inauguration event held at the Asian Garden Mall this past weekend.

Director A. Nguyen and Director C. Nguyen thanked staff.

GM/STAFF CONCERNS AND COMMENT:

GM R. Housley informed the Board that three of the five Directors will be attending the WasteExpo Conference the week of the May 7, 2024 Board Meeting.

GM R. Housley informed the Board that the regular board meeting on May 7, 2024 is scheduled to be canceled.

GENERAL COUNSEL CONCERNS AND COMMENTS:

General Counsel, J. Eggart advised the Board regarding a few bills intruded in the Legislature that he believes may impact the District.

General Counsel, J. Eggart announced that, due to a conflict of interest, he would not be participating in the closed session, and that the closed session would be handled by the District's outside counsel.

With the consent of the full Board, General Counsel, J. Eggart convened the meeting to closed session at 6:17 P.M. for consideration of the following matter identified on Agenda pursuant to applicable law.

General Counsel, J. Eggart left the room.

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 LEGAL COUNSEL – EXISTING LITIGATION

(Gov Code § 54956.9 (d)) Jonathan H. Cannon et al v. Midway City Sanitary District
(Case No. 8:21-CV-01072 DOC (ADSx))

President M. Nguyen reconvened the open session portion of the meeting at 6:43 P.M.

President M. Nguyen reported that the Board had met in closed session as identified on Agenda Item 14A, and that no reportable action had been taken.

ADJOURNMENT:

President M. Nguyen adjourned the meeting at 6:43 P.M. to the next Board Meeting to be held at the District on Tuesday, April 16, 2024, at 5:30 P.M.

Andrew Nguyen, Secretary

AGENDA ITEM #7A

Date: April 16, 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 \$1,250,841.44

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 \$1,250,841.44. 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 April 16, 2024

Midway City Sanitary District

Accounts Payable Expenditures, Payments, Payroll, and ACH Payment(s) Report

Prepared for Board Meeting held on April 16, 2024

Type	Num	Date	Name	Memo	Paid Amount
Check	15533	04/01/2024	Ayala's Car Wash		
Bill	2136	03/25/2024		Fleet Wash (8) 03/25/24	320.00
				Fleet Wash (1) 03/25/24	40.00
Bill	2137	03/26/2024		Fleet Wash (3) 03/26/24	90.00
				Fleet Wash (1) 03/26/24	30.00
				Fleet Wash (3) 03/26/24	90.00
				Fleet Wash (3) 03/26/24	90.00
					660.00
Check	15534	04/01/2024	Bodyworks Equip. Inc.	PO# 28422	
Bill	46760	03/21/2024		Control Box Harness (1), RR Hose Tray Kit (1), Interface Box (1), Husco Control Box (1)	2,816.12
					2,816.12
Check	15535	04/01/2024	Cameron Welding Supply		
Bill	1623148-00	03/15/2024		Propane, Liquified (1)	47.46
Bill	1618683-01	03/25/2024		Grinding Wheel (20), 4 1/2 x 5/8-11 Cut Off Wheel (20)	188.82
Bill	1624802-00	03/25/2024		Acetylene, Dissolved (1), CO2, Compressed (1), Oxygen, Compressed (1), Safety Glasses (3), Shoe ...	375.99
Bill	1624976-00	03/26/2024		Replacement supplies for Gun & Miller welder machine	96.10
Bill	1625059-00	03/26/2024		250amp Mig Gun 25ft Miller (1), Revco Mighty Mig GLove (2), Grinding Wheel (20)	542.12
Bill	1625073-00	03/26/2024		Marker Valve Action Paint White (2)	12.29
					1,262.78
Check	15536	04/01/2024	Clean Energy		
Bill	CEW12666872	02/29/2024		CNG Station Service 02/28/24	1,957.16
Bill	CEW12671375	03/27/2024		CNG Station Service 03/18/24	1,957.16
					3,914.32
Check	15537	04/01/2024	Daniels Tire Service		
Bill	200499779	03/20/2024		Recap Tires (6)	1,399.03
Bill	200500458	03/27/2024		Recap Tires (8)	1,857.22
					3,256.25
Check	15538	04/01/2024	Empire Pipe Cleaning and Equipment, Inc	CCTV Video Inspection & Cleaning Project	
Bill	12560	03/29/2024		CCTV Video Inspection & Cleaning Project	249,242.59
					249,242.59
Check	15539	04/01/2024	Frontier Communications	Acct # 209-188-5155-071808-5	
Bill	MCSD 03/19/2024	03/19/2024		(714)903-1863 Willow Mar - 2024	187.70
				(714)903-6154 Westminster Mar - 2024	187.80
				(714)903-6274 Hammon Mar - 2024	187.61
				(714)897-5136 District Offices Mar - 2024	100.00
					663.11
Check	15540	04/01/2024	HB Staffing/Cathyjon Enterprises, Inc.	Client# 341347	
Bill	4358100	03/21/2024		Administrative Assistant 03/12/24 - 03/14/24	716.63
					716.63
Check	15541	04/01/2024	Konecranes, Inc.	Cust No. 1532893	
Bill	154985955	03/21/2024		Quadrennial load testing (1), Fuel Surcharge (1)	3,780.00
					3,780.00
Check	15542	04/01/2024	NVB Equipment, Inc.	PO# 32124	
Bill	SQ15631	03/22/2024		A/C Service & Repairs for NG-6	700.05
					700.05
Check	15543	04/01/2024	Orange County Sanitation District	MCSD Feb Permit Fees 2024	
Bill	Permit Fees Feb-2024	02/29/2024		Permit Fees Feb-2024	16,448.89
					16,448.89
Check	15544	04/01/2024	SDRMA - Claims	Claim # CL2324009377-0001 Ref# C00453	
Bill	C00453	03/22/2024		Claim Incident dated 12/11/2023	1,000.00
					1,000.00

Midway City Sanitary District

Accounts Payable Expenditures, Payments, Payroll, and ACH Payment(s) Report

Prepared for Board Meeting held on April 16, 2024

Type	Num	Date	Name	Memo	Paid Amount
Check	15545	04/01/2024	SoCal Auto & Truck Parts, Inc.	PO# 28424	
Bill	605931	03/22/2024		Grease gun (1), Lubricant spray (1)	438.52
					438.52
Check	15546	04/01/2024	Southern California Edison	Acct # 700472251517	
Bill	700472251517 032024	03/20/2024		Willow Mar-2024	419.47
				Brookhurst Mar-2024	225.20
				Hammon Mar-2024	1,283.38
				Westminster Mar-2024	1,709.96
				Cedarwood Mar-2024	6,229.57
					9,867.58
Check	15547	04/01/2024	Spectrum Enterprise (Time Warner Cable	Acct # 8448 40 013 0973956	
Bill	0973956032024	03/20/2024		Mar-2024	102.04
					102.04
Check	15548	04/01/2024	Standard Insurance Company Life	Policy # 00 141873 0003	
Bill	001417830003 04/2024	04/01/2024		Apr - 2024	554.32
				Apr - 2024	196.32
				Apr - 2024	238.96
				Apr - 2024	424.40
				Apr - 2024	96.00
					1,510.00
Check	15549	04/01/2024	TEC Of California, Inc.		
Bill	1436807L	03/15/2024		Pin Adapter (1), Seat Belt (2)	735.66
Bill	1437239L	03/19/2024		Latch (4), Latch (2)	411.95
Bill	1437801L	03/21/2024		Replacement door lock for NG-2	142.03
Bill	1437297L	03/25/2024		Torque Rods (2)	518.18
					1,807.82
Check	15550	04/01/2024	Ayala's Car Wash	Fleet Wash 03/18/24	
Bill	2135	03/18/2024		Fleet Wash (8) 03/18/2024	320.00
					320.00
Check	15551	04/01/2024	TEC of California, Inc. - Trucks	2024 MACK LR64E	
Bill	MX4921	01/23/2024		Mack Truck Side Loader 2024 Vin #1M2LRGC7RM002468 (NG-20)	449,339.20
					449,339.20
Check	15552	04/01/2024	UniFirst Corporation		
Bill	2190143526	03/15/2024		March - 2024	190.85
Bill	2190143527	03/15/2024		March - 2024	77.24
Bill	2190143528	03/15/2024		March - 2024	69.66
Bill	2190143529	03/15/2024		March - 2024	16.23
Bill	2190147373	03/22/2024		March - 2024	190.85
Bill	2190147375	03/22/2024		March - 2024	77.24
Bill	2190147377	03/22/2024		March - 2024	69.66
Bill	2190147379	03/22/2024		March - 2024	16.23
					707.96
Check	15553	04/01/2024	NOC Handyman Services		
Bill	04.01.2024	04/01/2024		Board Podium - Refurbished	320.00
					320.00
Check	15554	04/05/2024	AKM Consulting Engineers, Inc.	Project No. 2351831.00	
Bill	0012751	04/03/2024		Sewer System Master Plan 03/04/24 - 03/29/24	17,444.50
					17,444.50
Check	15555	04/05/2024	Ayala's Car Wash	Fleet Wash 04/01/24	
Bill	2138	04/01/2024		Fleet Wash (8) 03/18/2024	320.00
					320.00
Check	15556	04/05/2024	Bodyworks Equip. Inc.	PO# 28404	
Bill	46802	03/27/2024		Bracket, Tube Support RR Lift (2), Clamp, Tube Support (6)	605.45
					605.45
Check	15557	04/05/2024	City of Westminster-Water Billing		
Bill	541-0698-00 022024	03/21/2024		District offices 1/29/24 - 03/21/24	94.78
Bill	541-0702-01 022024	03/25/2024		Wash Rack 1/29/24 - 03/25/24	99.88
					194.66
Check	15558	04/05/2024	CRC Cloud		

Midway City Sanitary District

Accounts Payable Expenditures, Payments, Payroll, and ACH Payment(s) Report

Prepared for Board Meeting held on April 16, 2024

Type	Num	Date	Name	Memo	Paid Amount
Bill	2102937	03/25/2024		Sophos XGS Firewall Xstream Protection licensing renewal - valid through April 2025	575.00
Bill	2102921	04/01/2024		Yearly Sophos firewall licensing activation Maintenance & Support Apr-2024	175.00
					2,458.00
					3,208.00
Check	15559	04/05/2024	Daniels Tire Service		
Bill	200500838	03/29/2024		Recap Tires (4), Radial Casing (4)	1,650.73
Bill	200501231	04/04/2024		Recap Tires (6)	1,523.85
					3,174.58
Check	15560	04/05/2024	HB Staffing/Cathyjon Enterprises, Inc.	Client# 341347	
Bill	4361856	03/28/2024		Administrative Assistant 03/19/24 - 03/21/24	716.63
					716.63
Check	15561	04/05/2024	Mahmood Majid		
Bill	Refund - Permit#7380	04/03/2024		Refund Permit# 7380 - Project Cancelled	5,719.00
					5,719.00
Check	15562	04/05/2024	Orange County Fire Authority	OCFA	
Bill	S0505986	04/02/2024		OCFA Prevention Field Services	81.00
					81.00
Check	15563	04/05/2024	PeopleSpace	Sales Order# SO1057529	
Bill	INV85882	02/21/2024		Cortina 2910 (1)	619.88
					619.88
Check	15564	04/05/2024	RMS	Service Call Job# 33517918	
Bill	2128593	03/29/2024		Calibration of Gas Detection System	980.00
					980.00
Check	15565	04/05/2024	Safety-Kleen Systems, Inc.		
Bill	94264144	04/02/2024		Moly Supreme 2, 5% (1)	983.03
Bill	94224460	04/02/2024		Hydraulic Oil (150)	1,950.74
					2,933.77
Check	15566	04/05/2024	Snap-On Tools	PO # 28441	
Bill	04032488279	04/03/2024		10-ton Porable Ram Kit (1), 18v 5Ah L-ION Battery Black (1)	1,787.80
					1,787.80
Check	15567	04/05/2024	South Coast Air Quality Management Dis	Trans # 10553360 & 10553361	
Bill	4321746	03/01/2024		AQMD Hot Spot Fee 07/23 -06/24	216.11
				State Fee - 07/23 - 06/24	35.00
					251.11
Check	15568	04/05/2024	TEC Of California, Inc.		
Bill	1436440L	03/13/2024		TRod (2)	1,375.00
Bill	1439158L	03/29/2024		Governor (1), Ad-SK-COAL (6)	723.38
Bill	1439706L	04/03/2024		Discpad (5)	728.72
Bill	1439793L	04/03/2024		Brake Pad (2), Permatex (1), Brake Pad (1)	1,286.72
					4,113.82
Check	15569	04/05/2024	Underground Service Alert	MCSDDIST	
Bill	320240441	04/01/2024		Underground Dig Alerts March-2024 (7)	22.25
					22.25
Check	15570	04/05/2024	UniFirst Corporation		
Bill	2190150573	03/29/2024		March - 2024	190.85
Bill	2190150576	03/29/2024		March - 2024	77.24
Bill	2190150578	03/29/2024		March - 2024	69.66
Bill	2190150579	03/29/2024		March - 2024	16.23
					353.98
Check	15571	04/05/2024	Woodcliff Corporation - Contractor	Project No: 202041	
Bill	Solar #04 022024	04/04/2024		Solar Project Pay App #4 02/2024	221,902.96
					221,902.96
Check	15572	04/05/2024	Woodcliff Corporation - Escrow Account	Account No. 3586554618	
Bill	022024 3586554618	04/04/2024		Solar Project #4 February 2024 - Retention Payment	3,336.89

Midway City Sanitary District

Accounts Payable Expenditures, Payments, Payroll, and ACH Payment(s) Report

Prepared for Board Meeting held on April 16, 2024

Type	Num	Date	Name	Memo	Paid Amount
					3,336.89
Check Total					\$1,016,640.14
ACH Payment	FY24M1063	03/20/2024	Paychex	Acct # Y4807254	
Bill	4837430	03/05/2024		Time & Attendance Mar 2024	377.33
					377.33
ACH Payment	FY24M1062	03/25/2024	WEX Health Inc	Customer ID 45927	
Bill	0001908932-IN	02/29/2024		Monthly HRA Admin Fee February - 2024	30.00
				Monthly HRA Admin Fee February - 2024	54.00
					84.00
ACH Payment	474-148153-	03/25/2024	US Bank Corporate Payment System	Acct # 4246 0445 5568 5498	
Bill	42460445556854980324	03/22/2024		CAL-Card Expenses Mar-2024	18,379.33
					18,379.33
ACH Payment	1002607530	04/01/2024	CalPERS - Health Benefits	6882866561	
Bill	17486879	04/01/2024		2024_04	7,035.87
					7,035.87
ACH Payment	1002607532	04/01/2024	CalPERS - Health Benefits	6882866561	
Bill	17486878	04/01/2024		2024_04	9,527.02
				2024_04	25,747.84
				2024_04	14,927.56
				2024_04	5,997.76
				2024_04	3,000.44
				2024_04	5,538.11
				2024_04	7,059.10
				2024_04	448.15
					72,245.98
ACH Payment		04/03/2024		Funds Transfer 457(b) Salary Reduction	
				Funds Transfer 457(b) Salary Reduction	3,394.18
					3,394.18
ACH Payment		04/03/2024		Funds Transfer 457(b) Roth	
				Funds Transfer 457(b) Roth	2,844.96
					2,844.96
ACH Payment		04/05/2024		Funds Transfer 457(b) OBRA-PST	
				Funds Transfer 457(b) OBRA-PST	846.00
					846.00
ACH Payment	1002612303	04/05/2024	CalPERS-Retirement	6882866561	
Bill	03/18/24 - 03/31/24	04/03/2024		Earned Period 03/18/24 - 03/31/24	1,857.81
				Earned Period 03/18/24 - 03/31/24	3,083.13
				Earned Period 03/18/24 - 03/31/24	3,563.80
				Earned Period 03/18/24 - 03/31/24	1,359.28
					9,864.02
ACH Payment	1002612304	04/05/2024	CalPERS-Retirement	6882866561	
Bill	03/18/24 - 03/31/24	04/03/2024		Earned Period 03/18/24 - 03/31/24	1,603.64
				Earned Period 03/18/24 - 03/31/24	2,661.29
				Earned Period 03/18/24 - 03/31/24	3,076.20
				Earned Period 03/18/24 - 03/31/24	1,173.29
					8,514.42
ACH Payment	1002612305	04/05/2024	CalPERS-Retirement	6882866561	
Bill	03/18/24 - 03/31/24	04/03/2024		Earned Period 03/18/24 - 03/31/24	132.06
				Earned Period 03/18/24 - 03/31/24	219.17
				Earned Period 03/18/24 - 03/31/24	253.34
				Earned Period 03/18/24 - 03/31/24	96.63
					701.20
ACH Payment	0992709	04/08/2024	SoCalGas	Acct # 021-760-4610 6	
Bill	02176046106 0324	03/31/2024		CNG Station Mar-2024 (10,640)	9,590.38
					9,590.38
ACH Payments Total					\$133,877.67

Midway City Sanitary District

Accounts Payable Expenditures, Payments, Payroll, and ACH Payment(s) Report

Prepared for Board Meeting held on April 16, 2024

Type	Num	Date	Name	Memo	Paid Amount
Payroll		04/03/2024		Employee Payroll	91,429.65
Payroll		04/05/2024		Board Payroll	8,893.98
Payroll Total					\$100,323.63
Total Disbursements					\$1,250,841.44

Midway City Sanitary District

Accounts Payable Expenditures, Payments, Payroll, and ACH Payment(s) Report

Prepared for Board Meeting held on April 16, 2024

Type	Num	Date	Name	Memo	Paid Amount
Transfers					
Transfer		04/01/2024		Tec of California, Inc Chk No. 15551 NG20 Solid Waste Truck	
				Tec of California, Inc Chk No. 15551 NG20 Solid Waste Truck	449,339.20
					449,339.20
Transfer		04/05/2024		Funds Transfer frm LAIF to CHK	
				Funds Transfer frm LAIF to CHK	1,000,000.00
					1,000,000.00
Transfers Total					\$1,449,339.20

AGENDA ITEM #7B

Date: April 16, 2024
 To: Board of Directors
 From: Robert Housley, General Manager
 Prepared by: Robert Housley, General Manager
 Subject: Approve and File the Treasurer’s Investment Report for March 2024

BACKGROUND

Midway City Sanitary District’s investment policy requires a monthly investment report, which includes all financial investments of the district and provides information on the investment type, value, and yield available for all investments. The report also provides the Board of Directors with an update on the balances of the District’s various funds.

Per the State Government Code 53600 et seq., and the Midway City Sanitary District’s (District) Investment Policy, the District may invest up to a maximum percentage of the entire portfolio funds in authorized financial investments.

The following table shows a summary of the District’s authorized financial investments, the yield available as of the preparation of this report, the book and market value of the District’s funds, the percentage of the District’s pooled funds that are invested in each financial investment, and the maximum percentage (or dollar limit), allowable per the State Government Code and the District’s investment policy.

MCSD’s total invested cash as of March 31, 2024, is \$54,423,231.08

INVESTMENT	TYPE OF INVESTMENT	MATURITY DATE	YIELD	BOOK VALUE	MARKET VALUE	% OF PORTFOLIO	MAXIMUM PERCENTAGE OF PORTFOLIO
				AS OF 3/31/2024	AS OF 3/31/2024		
FDIC Insured Accounts							
US Bank Interest Checking	Checking	Liquid	1.359%	\$ 1,613,204.34	\$ 1,613,204.34	2.96%	None
US Bank Money Market	Money Market	Liquid	0.051%	\$ 97,779.71	\$ 97,779.71	0.18%	20%
Certificate of Deposits	CD	-	-	\$ -	\$ -	0.00%	30%
Total FDIC Insured Accounts				\$ 1,710,984.05	\$ 1,710,984.05	3.14%	
LAIF							
LAIF	Pool	Liquid	4.232%	\$ 51,254,920.28	\$ 51,254,920.28	94.18%	\$75 million
CalTRUST (Medium Term Fund)	Pool/Bond Fund	Liquid	0.410%	\$ 1,532,350.47	\$ 1,457,326.75	2.68%	30%
Certificate of Deposits	CD	-	-	\$ -	\$ -	0.00%	30%
U.S. Treasury Securities	US Securities	-	-	\$ -	\$ -	0.00%	None
TOTAL Investments				\$ 54,498,254.80	\$ 54,423,231.08	100.00%	

FISCAL IMPACT

There is no fiscal impact associated with the approval of this informational report.

MIDWAY CITY SANITARY DISTRICT
District Investment Activities
3/31/2024

	Operating Fund 1040.10	Midway City 1040.20	Buildings Equipment & Facilities 1040.30	Lift Stations & Sewer Lines 1040.40	CNG Station & Fueling Facilities 1040.50	Vehicle Replacement 1040.60	Total LAIF Account No. 7030-005	Emergency Fund CalTRUST Medium-Term #114.00
Beginning Balance, 01.01.2024	\$ 10,091,602.57	\$ 1,915,162.56	\$ 3,427,994.49	\$ 30,624,647.07	\$ 2,001,632.08	\$ 3,193,881.51	\$ 51,254,920.28	\$ 1,455,833.58
Investment Income, LAIF & CalTRUST								
Market Value Capital Gain/(Loss)								
Transfer from LAIF to US Bank								
Transfer from US Bank to LAIF								
Transfers LAIF to LAIF	\$ 69,075.63		\$ (69,075.63)					
Transfer from CalTRUST to US Bank								
Ending Balance, 01.31.2024	\$ 10,160,678.20	\$ 1,915,162.56	\$ 3,358,918.86	\$ 30,624,647.07	\$ 2,001,632.08	\$ 3,193,881.51	\$ 51,254,920.28	\$ 1,457,326.75

TOTAL LAIF, U.S. SECURITIES, CalTRUST & INTEREST RECEIVABLE \$ 52,712,247.03
 ADD: US BANK \$ 1,613,204.34
 a. Checking (158301509028) \$ 97,779.71
 b. Money Market (158200156913)
 TOTAL DISTRICT CASH ON HAND \$ 54,423,231.08

C E R T I F I C A T I O N

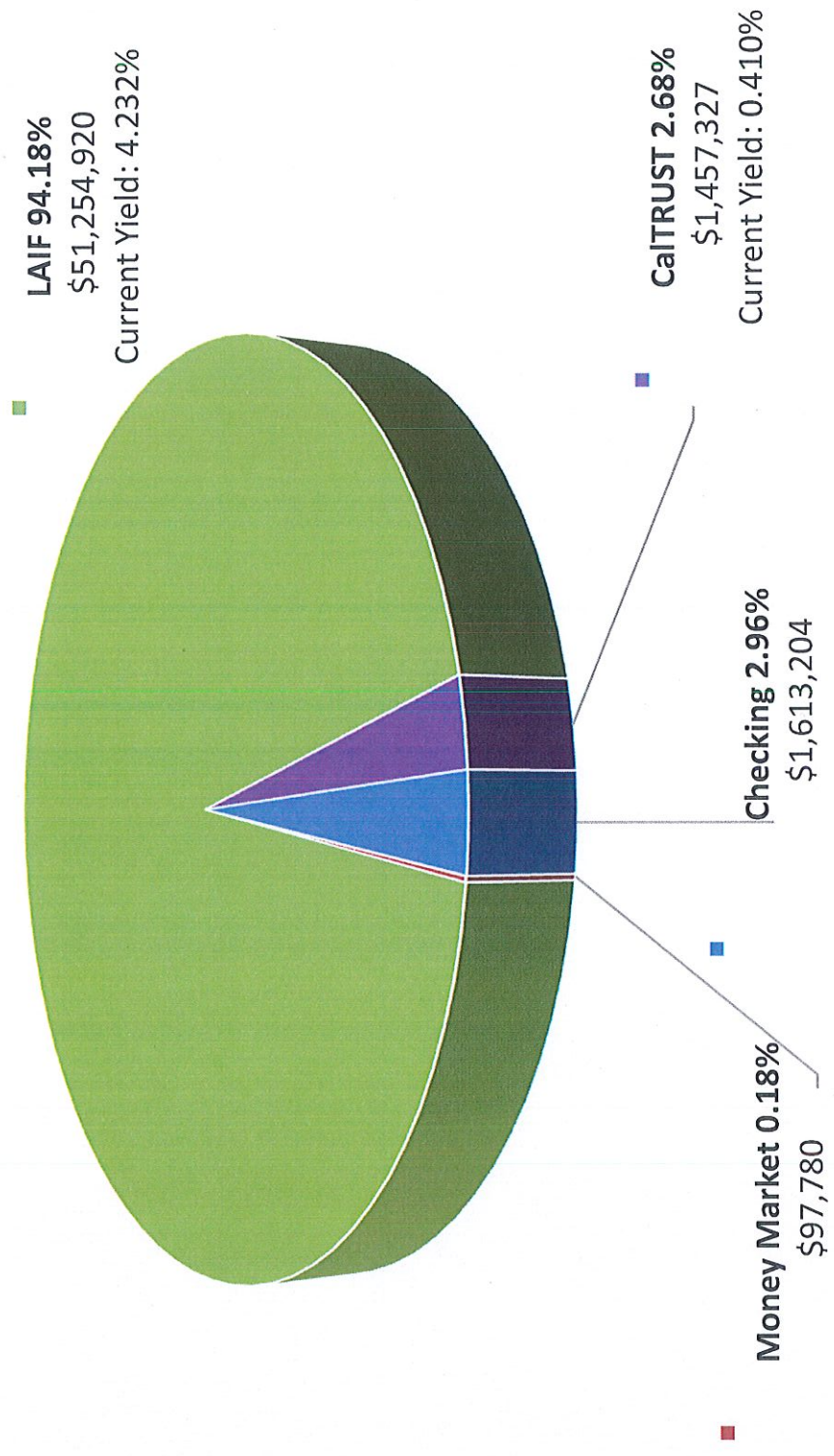
I certify that (1) all investment actions executed since the last report have been made in full compliance with the District's Investment Policy and, (2) the District will meet its expenditure obligations for the next six months as required by California Government Code Sections 53646(b)(2) and (3), respectively.

Prepared & Submitted by
Robert Housley, General Manager

04.08.2024
Dated

Sergio Contreras, Board Treasurer
Dated

MCSD Portfolio as of 03.31.2024



California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

April 05, 2024

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

MIDWAY CITY SANITARY DISTRICT

GENERAL MANAGER
14451 CEDARWOOD STREET
WESTMINSTER, CA 92683

[Tran Type Definitions](#)

Account Number: 70-30-005

March 2024 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	51,254,920.28
Total Withdrawal:	0.00	Ending Balance:	51,254,920.28



California State Treasurer
Fiona Ma, CPA



[Home](#) | [Open Government](#) | [Careers](#) | [Contact](#) | [Calendar](#)

Search



[Home](#) [PMIA Home](#) [Contacts](#) [Time Deposits](#) [LAIF](#)

[Home](#) ->> [PMIA](#) ->> PMIA Average Monthly Effective Yields



POOLED MONEY INVESTMENT ACCOUNT

PMIA Average Monthly Effective Yields

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1977	5.770	5.660	5.660	5.650	5.760	5.850	5.930	6.050	6.090	6.090	6.610	6.730
1978	6.920	7.050	7.140	7.270	7.386	7.569	7.652	7.821	7.871	8.110	8.286	8.769
1979	8.777	8.904	8.820	9.082	9.046	9.224	9.202	9.528	9.259	9.814	10.223	10.218
1980	10.980	11.251	11.490	11.480	12.017	11.798	10.206	9.870	9.945	10.056	10.426	10.961
1981	10.987	11.686	11.130	11.475	12.179	11.442	12.346	12.844	12.059	12.397	11.887	11.484
1982	11.683	12.044	11.835	11.773	12.270	11.994	12.235	11.909	11.151	11.111	10.704	10.401
1983	10.251	9.887	9.688	9.868	9.527	9.600	9.879	10.076	10.202	10.182	10.164	10.227
1984	10.312	10.280	10.382	10.594	10.843	11.119	11.355	11.557	11.597	11.681	11.474	11.024
1985	10.579	10.289	10.118	10.025	10.180	9.743	9.656	9.417	9.572	9.482	9.488	9.371
1986	9.252	9.090	8.958	8.621	8.369	8.225	8.141	7.844	7.512	7.586	7.432	7.439
1987	7.365	7.157	7.205	7.044	7.294	7.289	7.464	7.562	7.712	7.825	8.121	8.071
1988	8.078	8.050	7.945	7.940	7.815	7.929	8.089	8.245	8.341	8.397	8.467	8.563
1989	8.698	8.770	8.870	8.992	9.227	9.204	9.056	8.833	8.801	8.771	8.685	8.645
1990	8.571	8.538	8.506	8.497	8.531	8.538	8.517	8.382	8.333	8.321	8.269	8.279
1991	8.164	8.002	7.775	7.666	7.374	7.169	7.098	7.072	6.859	6.719	6.591	6.318
1992	6.122	5.863	5.680	5.692	5.379	5.323	5.235	4.958	4.760	4.730	4.659	4.647
1993	4.678	4.649	4.624	4.605	4.427	4.554	4.438	4.472	4.430	4.380	4.365	4.384
1994	4.359	4.176	4.248	4.333	4.434	4.623	4.823	4.989	5.106	5.243	5.380	5.528
1995	5.612	5.779	5.934	5.960	6.008	5.997	5.972	5.910	5.832	5.784	5.805	5.748
1996	5.698	5.643	5.557	5.538	5.502	5.548	5.587	5.566	5.601	5.601	5.599	5.574
1997	5.583	5.575	5.580	5.612	5.634	5.667	5.679	5.690	5.707	5.705	5.715	5.744
1998	5.742	5.720	5.680	5.672	5.673	5.671	5.652	5.652	5.639	5.557	5.492	5.374
1999	5.265	5.210	5.136	5.119	5.086	5.095	5.178	5.225	5.274	5.391	5.484	5.639
2000	5.760	5.824	5.851	6.014	6.190	6.349	6.443	6.505	6.502	6.517	6.538	6.535
2001	6.372	6.169	5.976	5.760	5.328	4.958	4.635	4.502	4.288	3.785	3.526	3.261
2002	3.068	2.967	2.861	2.845	2.740	2.687	2.714	2.594	2.604	2.487	2.301	2.201
2003	2.103	1.945	1.904	1.858	1.769	1.697	1.653	1.632	1.635	1.596	1.572	1.545
2004	1.528	1.440	1.474	1.445	1.426	1.469	1.604	1.672	1.771	1.890	2.003	2.134
2005	2.264	2.368	2.542	2.724	2.856	2.967	3.083	3.179	3.324	3.458	3.636	3.808
2006	3.955	4.043	4.142	4.305	4.563	4.700	4.849	4.946	5.023	5.098	5.125	5.129
2007	5.156	5.181	5.214	5.222	5.248	5.250	5.255	5.253	5.231	5.137	4.962	4.801
2008	4.620	4.161	3.777	3.400	3.072	2.894	2.787	2.779	2.774	2.709	2.568	2.353
2009	2.046	1.869	1.822	1.607	1.530	1.377	1.035	0.925	0.750	0.646	0.611	0.569
2010	0.558	0.577	0.547	0.588	0.560	0.528	0.531	0.513	0.500	0.480	0.454	0.462
2011	0.538	0.512	0.500	0.588	0.413	0.448	0.381	0.408	0.378	0.385	0.401	0.382
2012	0.385	0.389	0.383	0.367	0.363	0.358	0.363	0.377	0.348	0.340	0.324	0.326
2013	0.300	0.286	0.285	0.264	0.245	0.244	0.267	0.271	0.257	0.266	0.263	0.264
2014	0.244	0.236	0.236	0.233	0.228	0.228	0.244	0.260	0.246	0.261	0.261	0.267
2015	0.262	0.266	0.278	0.283	0.290	0.299	0.320	0.330	0.337	0.357	0.374	0.400
2016	0.446	0.467	0.506	0.525	0.552	0.576	0.588	0.614	0.634	0.654	0.678	0.719
2017	0.751	0.777	0.821	0.884	0.925	0.978	1.051	1.084	1.111	1.143	1.172	1.239
2018	1.350	1.412	1.524	1.661	1.755	1.854	1.944	1.998	2.063	2.144	2.208	2.291
2019	2.355	2.392	2.436	2.445	2.449	2.428	2.379	2.341	2.280	2.190	2.103	2.043
2020	1.967	1.912	1.787	1.648	1.363	1.217	0.920	0.784	0.685	0.620	0.576	0.540
2021	0.458	0.407	0.357	0.339	0.315	0.262	0.221	0.221	0.206	0.203	0.203	0.212
2022	0.234	0.278	0.365	0.523	0.684	0.861	1.090	1.276	1.513	1.772	2.007	2.173
2023	2.425	2.624	2.831	2.870	2.993	3.167	3.305*	3.434	3.534	3.670	3.843	3.929
2024	4.012	4.122	4.232									



CalTRUST
 PO Box 2709
 Granite Bay, CA 95746
 www.caltrust.org
 Email: admin@caltrust.org
 Fax: 402-963-9094
 Phone: 833-CALTRUST (225-8787)

Investment Account Summary

03/01/2024 through 03/31/2024

SUMMARY OF INVESTMENTS

Fund	Account Number	Total Shares Owned	Net Asset Value per Share on Mar 31 (\$)	Value on Mar 31 (\$)	Average Cost Amount (\$)	Cumulative Change in Value (\$)
MIDWAY CITY SANITARY DISTRICT	20100007910					
CalTRUST Medium Term Fund	20100007910	149,316.265	9.76	1,457,326.75	1,532,350.47	(75,023.72)
Portfolios Total value as of 03/31/2024				1,457,326.75		

DETAIL OF TRANSACTION ACTIVITY

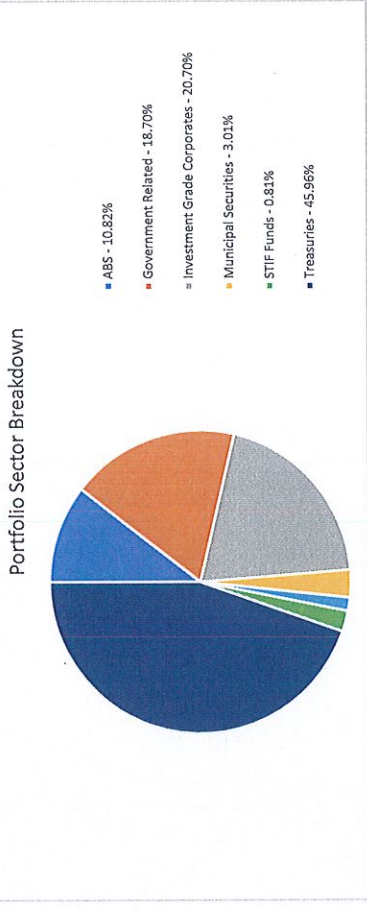
Activity Description	Activity Date	Amount (\$)	Amount in Shares	Balance in Shares	Price per Share (\$)	Balance (\$)	Average Cost Amt (\$)	Realized Gain/(Loss) (\$)
CalTRUST Medium Term Fund		MIDWAY CITY SANITARY DISTRICT Account Number: 20100007910						
Beginning Balance	03/01/2024		0.000	149,316.265	9.75	1,455,833.58		
Accrual Income Div Cash	03/28/2024	4,411.96		149,316.265	9.76	1,457,326.75	0.00	0.00
Change in Value						1,493.17		
Closing Balance as of	Mar 31			149,316.265	9.76	1,457,326.75		

Please note that this information should not be construed as tax advice and it is recommended that you consult with a tax professional regarding your account.



	Caitrust Medium Term	BofAML 1-3 Corp & Gov't, A Rated and Above	Caitrust Medium Term Net Total Return	Caitrust Medium Term Yield	BofAML 1-3 Corp & Gov't, A Rated and Above
Net Assets	\$991,705,717.16	N/A	0.41%	0.34%	0.38%
NAV per Share	\$9.76	N/A	0.35%	0.98%	0.46%
30 Day SEC Yield	4.58%	N/A	3.21%	1.96%	3.13%
Distribution Yield	3.96%	N/A	3.52%	3.77%	3.60%
Period Net Total Return	0.41%	0.38%	1.96%	2.85%	1.92%
Effective Duration	2.09 yrs	N/A	0.34%	2.03%	0.27%
Average Maturity	2.33 yrs	N/A	1.35%	1.85%	1.38%
Weighted Average Life	2.29 yrs	N/A	1.22%	1.56%	1.31%
			1.87%	1.99%	2.15%

*Annualized
 Since Inception



Rated AA-f by S&P Global Ratings

**Midway City Sanitary District
CalTRUST Summary**

CalTRUST - Medium-Term Fund

	Investment +	Dividends	Distribution of	Capital Gain or	Balance
	'+'	'+'	Dividend (-)	Loss (-)	
Investment May-2020	\$ 750,000.00	432.90		1,460.57	\$ 751,893.47
June-2020		857.56		730.70	\$ 753,481.73
July-2020		765.26		731.54	\$ 754,978.53
August-2020		745.40		-	\$ 755,723.93
September-2020		677.57		(733.01)	\$ 755,668.49
October-2020		621.72		(733.66)	\$ 755,556.55
November-2020		476.58		-	\$ 756,033.13
December-2020		439.21			\$ 756,472.34
January-2021		387.68			\$ 756,860.02
February-2021		342.73		(1,471.06)	\$ 755,731.69
March-2021		354.98		(735.87)	\$ 755,350.80
April-2021		251.06			\$ 755,601.86
May-2021	\$ 750,000.00	316.74		736.45	\$ 1,506,655.05
June-2021		473.98		(1,467.04)	\$ 1,505,661.99
July-2021		415.67		1,467.51	\$ 1,507,545.17
August-2021		390.03		0.01	\$ 1,507,935.21
September-2021		370.72		(1,468.29)	\$ 1,506,837.64
October-2021		396.41		(5,874.61)	\$ 1,501,359.44
November-2021		461.36		(1,469.04)	\$ 1,500,351.76
December-2021		516.64		(2,938.98)	\$ 1,497,929.42
January-2022		598.08		(10,289.99)	\$ 1,488,237.51
February-2022		610.05		(7,352.96)	\$ 1,481,494.60
March-2022		836.34		(20,596.74)	\$ 1,461,734.20
April-2022		1,028.38		(8,832.23)	\$ 1,453,930.35
May-2022		1,290.86		5,892.32	\$ 1,461,113.53
June-2021		1,354.72		(8,846.29)	\$ 1,453,621.96
July-2022		1,518.86		5,903.03	\$ 1,461,043.85
August-2022		1,986.06		(11,818.35)	\$ 1,451,211.56
September-2022		2,166.97		(20,710.46)	\$ 1,432,668.07
October-2022		2,438.11		(4,444.68)	\$ 1,430,661.50
November-2022		2,709.46		8,904.53	\$ 1,442,275.49
December-2022		2,890.90		1,486.88	\$ 1,446,653.27
January-2023		3,227.48		8,939.16	\$ 1,458,819.91
February-2023		3,447.06	(3,447.06)	(13,438.46)	\$ 1,445,381.45
March-2023		4,147.17	(4,147.17)	14,931.62	\$ 1,460,313.07
April-2023		3,791.32	(3,791.32)	1,493.16	\$ 1,461,806.23
May-2023		4,482.39	(4,482.39)	(7,465.81)	\$ 1,454,340.42
June-2023		4,090.56	(4,090.56)	(8,958.97)	\$ 1,445,381.45
July-2023		4,246.18	(4,246.18)	1,493.16	\$ 1,446,874.61
August-2023		4,455.68	(4,455.68)	-	\$ 1,446,874.61
September-2023		4,286.72	(4,286.72)	(7,465.82)	\$ 1,439,408.79
October-2023		4,795.72	(4,795.72)	(1,493.16)	\$ 1,437,915.63
November-2023		4,603.47	(4,603.47)	14,931.63	\$ 1,452,847.26
December-2023		4,484.90	(4,484.90)	13,438.46	\$ 1,466,285.72
January-2024		5,122.63	(5,122.63)	-	\$ 1,466,285.72
February-2024		4,548.47	(4,548.47)	(10,452.14)	\$ 1,455,833.58
March-2024		4,411.96	(4,411.96)	1,493.17	\$ 1,457,326.75

\$ 1,500,000.00 \$ 93,264.70 \$ (60,914.23) \$ (75,023.72) \$ (33,714.28)

AGENDA ITEM #7C

Date: April 16, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Ashley Davies, Director of Services and Program Development

Subject: Approve the April 3, 2024 Outreach Committee Recommendations

BACKGROUND

At the April 5, 2022 meeting the Board approved the formation of a standing Outreach Committee. The Outreach Committee usually meets on the first Wednesday of each month to plan and discuss upcoming outreach activities. The Committee recommends continued radio and media outreach, averaging up to two radio programs per month on an ongoing basis.

The Outreach Committee met on April 3, 2024 and their recommendations are as follows:

1. The Committee recommends that the District participate in two radio outreach programs. Two directors will attend each radio program. Appointments will be set up in April.
2. The Committee recommends adding a shredding event to the Compost Event on July 20, 2024.

FISCAL IMPACT

The potential fiscal impact of the Outreach Committee’s recommendations are as follows:

- Monthly radio outreach \$4,000
- Shredding Event \$1,200

STAFF RECOMMENDATION

Staff recommends that the Board of Directors approve the Outreach Committee’s recommendations as presented.

ATTACHMENTS:

None.

AGENDA ITEM #7D

Date: April 16, 2024
To: Board of Directors
From: Robert Housley, General Manager
Prepared by: Milo Ebrahimi, P.E., District Engineer
Subject: Receive and File the Engineer Report for March 2024

BACKGROUND

District Engineer prepares a monthly report for the Board of Directors to inform about engineering and engineering related activities. This report includes monthly progress of District projects, reviewed plans, sewer department projects and activities, trainings and meetings, preventive maintenances and repairs of the district assets, and more.

DISCUSSION

1. District Building Project by Woodcliff

1.1. The new office building:

- 1.1.1. Contractor has finished the new office building.
- 1.1.2. Complete punch list has been created by Architect.
- 1.1.3. Contractor is working on the punch list items.

1.2. The locker room building:

- 1.2.1. Contractor has finished the Locker room building.
- 1.2.2. Complete punch list has been created by Architect.
- 1.2.3. Contractor is working on the punch list items.

1.3. Landscaping and sitework:

- 1.3.1. Contractor has finished the landscape and the sitework.
- 1.3.2. Complete punch list has been created by Architect.
- 1.3.3. Contractor is working on the punch list items.

1.4. Solar Carport:

- 1.4.1. Contractor has finished the solar carport except the charging stations.
- 1.4.2. Six charging stations will be installed by the end of April.

2. Plans Reviewed

- 2.1. Sewer permits (this month): 15.
- 2.2. Sewer permits (this fiscal year): 142.

- 2.3. Development projects (trash enclosures and/or sewer lines): 10.
3. Westminster Mall project
 - 3.1. The official Conditional Will Serve Letter (Letter) was sent to the developer's engineer by District without any proposed changes to the letter by the developer's engineer at this point. The Letter will be submitted to City's Planning Department with other improvement plans on April by the developer's engineer.
 - 3.2. The only comments on the Letter by the developer's engineer was the ownership of the backbone infrastructure which is in question yet.
4. Sewer department projects
 - 4.1. Sewer System Master Plan (SSMP) Project by AKM
 - 4.1.1. SSMP is in progress. There is a monthly meeting with AKM about the progress.
 - 4.1.2. AKM will finish in about 9 months. A few months' delay is due to Amendment No. 2, which was approved by the Board on March 19, 2024, to the original agreement with AKM. GPS survey of 525 manholes will be performed for engineering analysis and Hydraulic Model.
 - 4.1.3. AKM worked on Addendum No. 2 line item which is Sewer GIS, Survey of Manholes, and Hydraulic Model Update (task 12 of the project).
 - 4.2. Sewer System Cleaning and CCTV Project By Empire Pipe Cleaning & Equipment
 - 4.2.1. District issued Notice To Proceed letter (except the Midway City area for now) to Contractor after receiving all the required permits.
 - 4.2.2. The first day of the project was on February 12, 2024.
 - 4.2.3. During the first month, the contractor finished 13 percent of the project.
 - 4.2.4. Contractor will finish in about 9 months.
 - 4.2.5. District Engineer is collaborating with Contractor and AKM to link the CCTV inspection report with GIS.
5. Sewer Department Activities
 - 5.1. There was no emergency related repair for sewer system this month.
 - 5.2. There was no sewer system overflow this month.
 - 5.3. 73 hotspot locations were cleaned this month.
 - 5.4. About 48 hotspot locations were checked weekly.
 - 5.5. About 51,000 linear feet (9.7 miles) of sewer line was cleaned on the west side.
6. Trainings and Meetings
 - 6.1. District Engineer attended monthly meetings with District Engineer of Costa Mesa Sanitary District.

- 6.2. District Engineer attended Development Review Team meetings at the City of Westminster.
 - 6.3. Director of Operation/Safety, Lead Mechanic, and District Engineer attended Work Truck Week 2024 conference and trade show to learn more about the Green Trucks to comply with the California Air Resources Board (CARB) requirement and regulations.
 - 6.4. District Engineer attended CARB virtual meetings to learn more about the reporting, requirements, and regulations.
7. Preventive Maintenances (PM) and Repairs
 - 7.1. Contractor performed the monthly PM services on the CNG station at the yard.
 - 7.2. Contractor performed the biyearly PM services on the electrical equipment of CNG station at the yard.
 - 7.3. Contractor performed the yearly PM services on the electrical equipment of all four pump stations.
 - 7.4. A repair is needed on the portable generator in the yard. The portable generator is still not operational due to more issues. The contractor will need more parts to finish the repair.
8. Regulation and Reporting
 - 8.1. California Air Resources Board (CARB)
 - 8.1.1. Low Carbon Fuel Standards (LCFS): quarterly and yearly reports are submitted to the board.
 - 8.1.2. Truck Regulation Upload, Compliance and Reporting System (TRUCRS): yearly report submitted to the board.
 - 8.2. California Water Resources Control Board (CWRCB)
 - 8.2.1. California Integrated Water Quality System (CIWQS): monthly and yearly reports submitted to the board.

FISCAL IMPACT

Informational report only.

STAFF RECOMMENDATION

Staff recommend that the Board of Directors approve and file the Engineer Report.

ATTACHMENTS:

None.

AGENDA ITEM #7E

Date: April 16, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Robert Housley, General Manager

Subject: Approve a \$1,000 Safety Award to Utility/Relief Driver, Juan Arvizu Sr. for Protecting the Community and Saving Solid Waste Truck NG-13 from a Fire on March 19, 2024

BACKGROUND

Pursuant to the Memorandum of Understanding (MOU) between The Midway City Sanitary District (District) and the American Federation of State, County, and Municipal Employees, AFL-CIO Local 1734-01 (hereinafter called Union), the Board of Directors, in an effort to promote safety in the operation of District equipment and the encouragement of safety in personal work habits, set as District policy a safety awards program.

DISCUSSION

On March 19, 2024, while providing solid waste services to the community, Utility/Relief driver Juan Arvizu noticed smoke coming from the body of his truck NG-13. Mr. Arvizu exhibited great awareness and reacted quickly and safely by being able to return to the District yard to drop his load, where a large fire erupted. Between District staff and the Orange County Fire Authority, the fire was put out quickly. The truck sustained minimal damage and the community was kept safe by being able to contain the fire to the District facilities and not outside in the community where it could have become more of a challenge.

Pursuant to Article 15 and 16 of the MOU, the Board of Directors have previously evaluated the application of this effort to include that of an award based on the savings to the District for protecting the safety of the public and by saving a solid waste truck from burning to the ground shall be recognized. It has been the past practice of the Board to award a monetary safety award of \$1,000 to reflect its gratitude and appreciation from the District to the employee for their quick response in the protection and safety to the public and the financial savings to the District.

The cost to replace a solid waste truck in today's environment is estimated to be over \$500,000 at a minimum. It is because of Mr. Arvizu's awareness of the situation and quick response, that not only did he save the solid waste truck, but more importantly he was able to avert a potentially dangerous situation that could have adversely affected the safety of the community at large. Because of this, Management recommends this very important recognition and safety award to Mr. Arvizu.

FISCAL IMPACT

The fiscal impact is \$1,000.

STAFF RECOMMENDATION

Staff recommends that the Board of Directors approve a \$1,000 safety award to Utility/Relief Driver, Juan Arvizu Sr. for protecting the community and saving solid waste truck NG-13 from a fire.

ATTACHMENTS:

None.

AGENDA ITEM #7F

Date: April 16, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Robert Housley, General Manager

Subject: Approve and Authorize the General Manager to Execute a Professional Services Agreement with Procure America for Cost Recovery and Reduction Services in the Areas of Utilities and Treasury Services

BACKGROUND

In 2023 and 2024 the Midway City Sanitary District (District) Board of Directors (Board) set future goals and priorities for the District and staff. Cost reduction and revenue generating opportunities are two of the goals and priorities set by the Board.

Procure America provides Business Intelligence Services through six practice groups staffed by industry specific veterans. It achieves cost reductions and revenue opportunities by having its teams of subject matter experts review and analyze an agency’s vendors and treasury services. Procure America has been successful with many government agencies in Orange County and nationwide, as well as being affiliated with the League of California Cities and California State Association of Counties.

At the March 19, 2024 Board meeting, Todd Main, Executive Vice President with Procure America gave a presentation on how Procure America’s consulting services would be beneficial in partnering the with the District in the areas of procurement, utilities, and treasury management. At that meeting the Board directed staff to prepare a professional services agreement with Procure America for Board consideration.

DISCUSSION

Under the proposed Professional Services Agreement, Procure America will evaluate the District’s current contracts and relationships with vendors in the areas of utilities and treasury services to determine the current “Established Rates” and make recommendations as to how the District may achieve cost reductions or revenue generation in these areas. If the District proceeds with implementation of any of Procure America’s recommendations, the District will pay Procure America 30 percent of all resulting cost savings or additional revenue generation for a period of 60 months.

The proposed Agreement with Procure America will “piggyback” off the agreement entered into between the County of Orange and Procure America (Exhibit B to the Agreement). The District’s Purchasing Policy and Procedures provide that, when another public entity has awarded a contract for goods or services pursuant to a competitive procurement process similar to the one typically followed by the District, the District may acquire such goods or services on the same or

substantially similar terms without conducting its own separate procurement process. The agreement between the County of Orange and Procure America is expressly set up as a “cooperative agreement” that provides for its terms and pricing to be extended to other local government agencies, such as the District.

FISCAL IMPACT

The potential fiscal impact of cost reduction and revenue generating opportunities are to be determined. The terms of the agreement provide for a 70/30 split of cost savings and revenue generating opportunities identified by Procure America for a period of 60 months (5-years).

STAFF RECOMMENDATION

Staff recommends that the Board of Directors approve entering into a professional services agreement with Procure America for Cost Recovery and Reduction Services in substantially the same form as presented at the meeting and authorize the General Manager to make minor modifications to and execute the Agreement on behalf of the District.

ATTACHMENTS:

1. Midway City Sanitary District Professional Services Agreement
Exhibit A: Procure America Statement of Work
Exhibit B: County of Orange Regional Cooperative Agreement

PROFESSIONAL SERVICES AGREEMENT

*Procure America, Inc.
(Cost Recovery and Reduction Services)*

THIS PROFESSIONAL SERVICES AGREEMENT (hereinafter “Agreement”) is made to be effective this 16th day of April, 2024, by the MIDWAY CITY SANITARY DISTRICT, a public entity (hereinafter referred to as “DISTRICT”) and Procure America, LLC, a Delaware Limited Liability Company, (hereinafter referred to as “CONTRACTOR”). DISTRICT and CONTRACTOR are sometimes hereinafter individually referred to as “Party” and are hereinafter collectively referred to as the “Parties.”

RECITALS

The following recitals are a substantive part of this Agreement:

- A. This Agreement is entered into pursuant to authorization of the Midway City Sanitary District Board of Directors, dated April 16, 2024.
- B. DISTRICT has determined there is a need to retain the professional services of a qualified company to provide the DISTRICT with cost recovery and reduction services (the “Project”).
- C. CONTRACTOR has entered into a Regional Cooperative Agreement with County of Orange (the “RCA”) for the provision of various cost recovery and reduction services, which provides for the provisions and pricing of the RCA to be extended to other local or state governmental entities.
- D. CONTRACTOR represents and maintains that it is uniquely qualified by virtue of its experience, training, education, reputation, and technical expertise to provide the cost recovery and reduction services to DISTRICT for the Project and has agreed to provide such services as provided herein. DISTRICT does not have the personnel, training, certification, or specialized technical expertise necessary to perform the work and services contracted for herein.
- E. DISTRICT desires to retain CONTRACTOR to provide such cost recovery and reduction services.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. Term and Termination. This Agreement shall cover services rendered from the full execution of this Agreement through completion of the tasks outlined in CONTRACTOR’s Statement of Work, which is attached hereto as Exhibit A and incorporated herein by reference, unless earlier terminated by DISTRICT. This Agreement may be terminated by DISTRICT without cause upon thirty (30) days written notice. In such event, the DISTRICT will compensate

CONTRACTOR for work performed to date in accordance with Section 3.4 of this Agreement. CONTRACTOR is required to present evidence to support performed work completion. CONTRACTOR is required to present evidence to support performed work completion.

2. Services to be Provided and Standard of Performance.

2.1 Scope of Services. In compliance with all terms and conditions of this Agreement, CONTRACTOR agrees to provide and perform professional as needed cost recovery and reduction services, at as set forth in the Statement of Work attached hereto at Exhibit A (hereinafter referred to as the “Scope of Services,” the “Services” or “Work”). As a material inducement to DISTRICT entering into this Agreement, CONTRACTOR acknowledges and understands that the Services and Work contracted for under this Agreement require specialized skills and abilities and that, consistent with this understanding, CONTRACTOR’s Services and Work shall be performed in a skillful and competent manner and shall be held to a standard of quality and workmanship prevalent in the industry for such Services and Work and with the standards recognized as being employed by professionals in the same discipline in the State of California. CONTRACTOR represents and warrants that it is skilled in the professional discipline necessary to perform the Services and Work and that it holds the necessary skills and abilities to satisfy the standard of work as set forth in this Agreement. CONTRACTOR represents and warrants that it and all of its employees, subconsultants and subcontractors providing any Work or Services under this Agreement shall have sufficient skill and experience to perform the Services and Work assigned to them. All Services and Work shall be completed to the reasonable satisfaction of DISTRICT. The Proposal, the Request for Proposals, and this Agreement do not guarantee any specific amount of work.

2.2 Contract Documents. The Agreement between the Parties shall consist of the following: (1) this Agreement; (2) the Statement of Work attached hereto at Exhibit A; and (3) the RCA attached hereto at Exhibit B, which shall collectively be referred to collectively hereinafter as the “Contract Documents.” All provisions of the Contract Documents shall be binding on the Parties. Should any conflict or inconsistency exist in the Contract Documents, the conflict or inconsistency shall be resolved by applying the provisions in the highest priority document, which shall be determined in the following order of priority: (1st) the terms and conditions of this Agreement; (2nd) the provisions of the Statement of Work (Exhibit A); and (3rd) the provisions of the RCA (Exhibit B).

2.3 Compliance with Law. CONTRACTOR shall comply at all times during the term of this Agreement with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government, including without limitation all applicable fair labor standards and Cal/OSHA requirements. CONTRACTOR shall keep itself fully informed of and in compliance with all local, state, and federal laws, rules, and regulations in any manner affecting the performance of the Work and Services, including all Cal/OSHA requirements, and shall give all notices required by law. CONTRACTOR shall be liable for all violations of such laws and regulations in connection with performing the Work and Services. If CONTRACTOR performs any Work or Services in violation of such laws, rules, and regulations, CONTRACTOR shall be solely responsible for all penalties and costs arising therefrom. CONTRACTOR shall defend, indemnify, and hold DISTRICT, its officials, officers, employees, agents and volunteers, free and

harmless from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules, or regulations.

2.4 Licenses, Permits, and Fees. Prior to performing any Services or Work hereunder CONTRACTOR shall obtain all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession and perform the Work and Services required by this Agreement. CONTRACTOR represents and warrants to DISTRICT that CONTRACTOR shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement and any extension, any license, permit, qualification, or approval that is legally required for CONTRACTOR to perform the Work and Services under this Agreement. CONTRACTOR shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the CONTRACTOR's performance of the Work and Services required by this Agreement, and shall defend, indemnify, and hold DISTRICT, its officials, officers, employees, agents and volunteers, free and harmless from and against any claim or liability arising out of any failure or alleged failure to obtain such license, permits, and approvals of whatever nature that are legally required to perform the Work or Services.

2.5 Familiarity with Work. By executing this Agreement, CONTRACTOR warrants that: (1) it has thoroughly investigated and considered the Scope of Work or Services to be performed; (2) it has carefully considered how the Services should be performed and has carefully examined the location or locations at or with respect to where such Services or Work is to be performed and is aware of all conditions there; and (3) it understands the facilities, difficulties, and restrictions of attending performance of the Services under this Agreement. If the Services involve work upon any site, CONTRACTOR represents and maintains that CONTRACTOR has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of any Services hereunder. Should CONTRACTOR discover any latent or unknown conditions materially differing from those inherent in the Work or as represented by DISTRICT, it shall immediately inform DISTRICT of this and shall not proceed, except at CONTRACTOR's risk, until written instructions are received from DISTRICT.

2.6 Care of Work. CONTRACTOR shall adopt reasonable methods during the term of the Agreement to furnish continuous protection to the Work and the equipment, materials, papers, documents, plans, studies, and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the Work by DISTRICT, except such losses or damages as may be caused by DISTRICT's own negligence.

2.7 Further Responsibilities of Parties. Both Parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both Parties agree to act in good faith to execute all instruments, prepare all documents, and take all actions as may be reasonably necessary to carry out the purposes of this Agreement.

3. Compensation.

3.1 Contract Amount. For the Services and Work rendered in accordance with Exhibit A, CONTRACTOR shall only be compensated by DISTRICT as set forth in Exhibit A. District shall have no obligation to pay any sum in excess of that specified in Exhibit A, unless authorized by amendment as set forth in Section 3.3.

3.2 Payment. For Work or Services performed under this Agreement for which CONTRACTOR is entitled to be paid, payment shall be made in arrears per invoice submitted by CONTRACTOR, subject to the payment provisions set forth in Exhibit A. CONTRACTOR shall submit invoices to the DISTRICT on CONTRACTOR's letterhead in accordance with the invoicing instructions set forth in Attachment B to the RCA (Exhibit B).

3.3 Changes in Scope. In the event any change or changes in the Scope of Services is requested by DISTRICT and agreed to by CONTRACTOR, the Parties shall execute a written amendment to this Agreement, setting forth with particularity all terms of such amendment, including, but not limited to, any additional fees. An amendment may be entered into: (a) to provide for revisions or modifications to documents or other work product or work when documents or other work product or work is required by the enactment or revision of law subsequent to the preparation of any documents, other work product, or work; and/or (b) to provide for additional services not included in this Agreement or not customarily furnished in accordance with generally accepted practice in CONTRACTOR's profession.

3.4 Termination. DISTRICT shall have the right to terminate this Agreement, without cause, by giving thirty (30) days written notice of termination. If the Agreement is terminated by DISTRICT, then the provisions of paragraph 3 would apply to that portion of the work completed.

4. Insurance requirements.

4.1 Commencement of Work. CONTRACTOR shall not commence work under this Agreement until all certificates and endorsements have been received and approved by the DISTRICT. All insurance required by this Agreement shall contain a Statement of Obligation on the part of the carrier to notify the DISTRICT of any material change, cancellation, or termination at least thirty (30) days in advance.

4.2 Workers Compensation Insurance. During the duration of this Agreement, CONTRACTOR and all subcontractors shall maintain Workers Compensation Insurance in the amount and type required by law, if applicable.

4.3 Insurance Amounts. CONTRACTOR and all subcontractors shall procure and maintain insurance acceptable to DISTRICT. Unless otherwise agreed or waived in writing by DISTRICT's General Manager, CONTRACTOR and all subcontractors shall maintain the following insurance for the duration of this Agreement:

(a) Commercial general liability in an amount of \$3,000,000.00 per occurrence: **claims made and modified occurrence policies are not acceptable**; Insurance companies must

be acceptable to DISTRICT and have a Best's Guide Rating of A- Class VII or better, as approved by the DISTRICT.

(b) Automobile liability in an amount of \$1,000,000.00 combined single limit: **claims made and modified occurrence policies are not acceptable**; Insurance companies must be acceptable to DISTRICT and have a Best's Guide Rating of A- Class VII or better, as approved by the DISTRICT.

(c) Professional liability in an amount not less than \$1,000,000. Insurance companies must be admitted and licensed In California and have a Best's Guide Rating of A-, Class VII or better, as approved by the DISTRICT. If the policy is written on a "claims made" basis, the policy shall be continued in full force and effect at all times during the term of the agreement, and for a period of three (3) years from the date of the completion of services provided. In the event of termination, cancellation, or material change in the policy, professional/consultant shall obtain continuing insurance coverage for the prior acts or omissions of professional/consultant during the course of performing services under the term of the agreement. The coverage shall be evidenced either by a new policy evidencing no gap in coverage, or by obtaining separate extended "tail" coverage with the present or new carrier.

An **On-Going and Completed Operations Additional Insured Endorsement** for the policy under section 4.3 (a) shall designate DISTRICT, its officers, officials, employees, agents, and volunteers as additional insureds for liability arising out of work or operations performed by or on behalf of the CONTRACTOR. CONTRACTOR shall provide to DISTRICT proof of insurance and endorsement forms that conform to DISTRICT's requirements, as approved by the DISTRICT.

An Additional Insured Endorsement for the policy under section 4.3 (b) shall designate DISTRICT, its officers, officials, employees, agents, and volunteers as additional insureds for automobiles, owned, leased, hired, or borrowed by the CONTRACTOR. CONTRACTOR shall provide to DISTRICT proof of insurance and endorsement forms that conform to DISTRICT's requirements, as approved by the DISTRICT.

For any claims related to this Agreement, CONTRACTOR's insurance coverage shall be primary insurance as respect to DISTRICT, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the DISTRICT, its officers, officials, employees, agents, and volunteers shall be excess of the CONTRACTOR's insurance and shall not contribute with it.

If CONTRACTOR maintains higher insurance limits than the minimums shown above, CONTRACTOR shall provide coverage for the higher insurance limits otherwise maintained by the CONTRACTOR.

5. Non-Liability of Officials and Employees of the District. No official or employee of DISTRICT shall be personally liable to CONTRACTOR in the event of any default or breach by DISTRICT, or for any amount which may become due to CONTRACTOR.

6. **Conflict of Interest.** No officer or employee of the DISTRICT shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his or her financial interest or the financial interest of any corporation, partnership, or association in which they are, directly or indirectly, interested in violation of any state statute or regulation. CONTRACTOR represents and warrants that it has not paid or given and will not pay or give any third party any money or other consideration in exchange for obtaining this Agreement.

7. **Covenant Against Discrimination.** In connection with its performance under this Agreement, CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, disability, medical condition, religion, color, sex, sexual orientation, age, marital status, ancestry, or national origin. CONTRACTOR shall ensure that applicants are employed, and that employees are treated during their employment, without regard to their race, disability, medical condition, religion, color, sex, sexual orientation, age, marital status, ancestry, or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

8. **Independent Contractor.**

(a) The legal relationship between the Parties is that of an independent contractor, and nothing herein shall be deemed to make CONTRACTOR a DISTRICT employee. During the performance of this Agreement, CONTRACTOR and its officers, employees, and agents shall act in an independent capacity and shall not act as DISTRICT officers or employees. CONTRACTOR will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. The personnel performing the Services under this Agreement on behalf of CONTRACTOR shall at all times be under CONTRACTOR's exclusive direction and control. Neither DISTRICT nor any of its officials, officers, employees, agents or volunteers shall have control over the conduct of CONTRACTOR or any of its officers, employees, or agents, except as set forth in this Agreement. CONTRACTOR, its officers, employees or agents, shall not maintain a permanent office or fixed business location at DISTRICT's offices. DISTRICT shall have no voice in the selection, discharge, supervision, or control of CONTRACTOR's officers, employees, representatives or agents or in fixing their number, compensation, or hours of service. CONTRACTOR shall pay all wages, salaries, and other amounts due its employees in connection with the performance of Services under this Agreement and shall be responsible for all reports and obligations respecting them, including but not limited to social security income tax withholding, unemployment compensation, workers' compensation, and other similar matters. DISTRICT shall not in any way or for any purpose be deemed to be a partner of CONTRACTOR in its business or otherwise a joint venturer or a member of any joint enterprise with CONTRACTOR.

(b) CONTRACTOR shall not incur or have the power to incur any debt, obligation, or liability against DISTRICT, or bind DISTRICT in any manner.

(c) No DISTRICT benefits shall be available to CONTRACTOR, its officers, employees, or agents, in connection with the performance of any Work or Services under this

Agreement. Except for professional fees paid to CONTRACTOR as provided for in this Agreement, DISTRICT shall not pay salaries, wages, or other compensation to CONTRACTOR for the performance of any Work or Services under this Agreement. DISTRICT shall not be liable for compensation or indemnification to CONTRACTOR, its officers, employees, or agents, for injury or sickness arising out of performing any Work or Services hereunder. If for any reason any court or governmental agency determines that the DISTRICT has financial obligations, other than pursuant to Section 3 herein, of any nature relating to salary, taxes, or benefits of CONTRACTOR's officers, employees, representatives, agents, or subconsultants or subcontractors, CONTRACTOR shall defend, indemnify, and hold harmless DISTRICT from and against all such financial obligations.

9. Notices. All notices shall be personally delivered or mailed to the below listed address, or to such other addresses as may be designated by written notice, and shall be deemed received upon the earlier of (i) the date of delivery to the address of the person to receive such notice if delivered personally or by messenger or overnight courier; or (ii) five (5) business days after the date of posting by the United States Post Office if by mail. These addresses shall be used for delivery of service of process.

(CONTRACTOR) Procure America, Inc.
Attn: Todd Main, Executive Vice President
31103 Rancho Viejo Road #D2102
San Juan Capistrano, CA 92675

(DISTRICT) Midway City Sanitary District
Attention: District Engineer
14451 Cedarwood Street
Westminster, CA 92863

(WITH COPY TO) Midway City Sanitary District
Attention: General Counsel
14451 Cedarwood Street
Westminster, CA 92863

10. Schedule of Performance.

10.1 Time of Essence. Time is of the essence in the performance of this Agreement. The time for completion of the Services to be performed by CONTRACTOR is an essential condition of this Agreement. CONTRACTOR shall prosecute regularly and diligently the Services according to the agreed upon Schedule of Performance.

10.2 Schedule of Performance. CONTRACTOR shall commence the Services pursuant to this Agreement upon receipt of a written notice to proceed, or on each task order, if applicable, and shall perform all Services within the time period(s) established in the Schedule of Performance set forth in the Proposal (Exhibit "A"), or otherwise mutually agreed upon by the Parties. When requested by CONTRACTOR, extensions to the time period(s) specified in the

Schedule of Performance may be approved in writing by the DISTRICT; however, the DISTRICT shall not be obligated to grant such an extension.

10.3 Force Majeure. The time period(s) specified in the Schedule of Performance for performance of the Services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the CONTRACTOR (financial inability excepted), including, but not limited to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, pandemics, quarantine restrictions, riots, strikes, freight embargoes, wars, and/or acts of any governmental agency, including the DISTRICT, if CONTRACTOR, within ten (10) days of the commencement of such delay, notifies the DISTRICT's General Manager in writing of the causes of the delay. The General Manager shall ascertain the facts and the extent of delay, and extend the time for performing the Services for the period of the enforced delay when and if in the judgment of the General Manager such delay is justified. The General Manager's determination shall be final and conclusive upon the Parties to this Agreement. In no event shall CONTRACTOR be entitled to recover damages against the DISTRICT for any delay in the performance of this Agreement, however caused, CONTRACTOR's sole remedy being extension of the Agreement pursuant to this section.

11. Limitations Upon Subcontracting and Assignment. The experience, knowledge, capability, and reputation of CONTRACTOR, its principals and employees were a substantial inducement for DISTRICT to enter into this Agreement. CONTRACTOR shall not contract with any other entity to perform the services required without written approval of the DISTRICT. This Agreement may not be assigned voluntarily or by operation of law, without the prior written approval of DISTRICT. If CONTRACTOR is permitted to subcontract any part of this Agreement, CONTRACTOR shall be responsible to DISTRICT for the acts and omissions of its subcontractor as it is for persons directly employed. Nothing contained in this Agreement shall create any contractual relationship between any subcontractor and DISTRICT. All persons engaged in the work will be considered employees of CONTRACTOR. DISTRICT will deal directly with and will make all payments to CONTRACTOR.

12. Indemnification. CONTRACTOR agrees to protect, defend, and hold harmless DISTRICT and its elective or appointive boards, officers, agents, and employees from any and all third party claims, liabilities, expenses, or damages of any nature, including attorneys' fees, for bodily injury or death of any person, or damage to property, or interference with use of property, to the extent caused by negligent acts, errors or omissions or willful misconduct by CONTRACTOR, CONTRACTOR's agents, officers, employees, subcontractors, or independent contractors hired by CONTRACTOR. The exception to CONTRACTOR's responsibility to protect, defend, and hold harmless DISTRICT, is due to the active negligence of DISTRICT, or any of its elective or appointive boards, officers, agents, or employees.

This hold harmless agreement shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by CONTRACTOR.

13. Reports.

(a) Each and every report, draft, work product, map, record and other document, hereinafter collectively referred to as "Report", reproduced, prepared or caused to be prepared by CONTRACTOR pursuant to or in connection with this Agreement, shall be the exclusive property of DISTRICT. CONTRACTOR shall not copyright any Report required by this Agreement and shall execute appropriate documents to assign to District the copyright to Reports created pursuant to this Agreement. Any Report, information and data acquired or required by this Agreement shall become the property of DISTRICT, and all publication rights are reserved to DISTRICT.

(b) All Reports prepared by CONTRACTOR may be used by DISTRICT in execution or implementation of:

- (1) The original Project for which CONTRACTOR was hired;
- (2) Completion of the original Project by others;
- (3) Subsequent additions to the original Project; and/or
- (4) Other DISTRICT projects as appropriate.

(c) No Report, information or other data given to or prepared or assembled by CONTRACTOR pursuant to this Agreement shall be made available to any individual or firm by CONTRACTOR without prior approval by District.

14. Reserved.

15. Waiver. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought. Any waiver by the Parties of any default or breach of any covenant, condition, or term contained in this Agreement, shall not be construed to be a waiver of any subsequent or other default or breach, nor shall failure by the Parties to require exact, full, and complete compliance with any of the covenants, conditions, or terms contained in this Agreement be construed as changing the terms of this Agreement in any manner or preventing the Parties from enforcing the full provisions hereof.

16. Rights and Remedies Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

17. Legal Action. In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

18. California Law; Venue. This Agreement shall be construed in accordance with the laws of the State of California. Any action commenced about this Agreement shall be filed in the central branch of the Orange County Superior Court.

19. Interpretation. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties. The terms of this Agreement are contractual and the result of negotiation between the Parties. Accordingly, any rule of construction of contracts (including, without limitation, California Civil Code Section 1654) that ambiguities are to be construed against the drafting party, shall not be employed in the interpretation of this Agreement. The caption headings of the various sections and paragraphs of this Agreement are for convenience and identification purposes only and shall not be deemed to limit, expand, or define the contents of the respective sections or paragraphs.

20. Entire Agreement; Modification. This Agreement constitutes the entire agreement between the parties and supersedes any previous agreements, oral or written. This Agreement may be modified only by subsequent mutual written agreement executed by DISTRICT and CONTRACTOR.

21. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be determined to be invalid by a final judgment or decree of a court of competent jurisdiction, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of that provision, or the remaining provisions of this Agreement unless the invalid provision is so material that its invalidity deprives either Party of the basic benefit of their bargain or renders this Agreement meaningless.

22. Corporate Authority. Each of the undersigned represents and warrants that (i) the Party for which he/she is executing this Agreement is duly authorized and existing, (ii) he/she is duly authorized to execute and deliver this Agreement on behalf of the Party for which he/she is signing, (iii) by so executing this Agreement, the Party for which he/she is signing is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the Party for which he/she is signing is bound.

23. Counterparts; Facsimile Signatures. This Agreement may be executed in counterparts, all of which shall constitute the same Agreement, notwithstanding that all parties to this Agreement are not signatory to the same counterpart. Signature and acknowledgement pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one (1) original document. These counterparts may be transmitted by facsimile or Portable Document Format (PDF), with the originals to be thereafter provided by the Parties. Such facsimiles or electronic copies shall be deemed original signatures.

24. Incorporation of RCA. The RCA is attached hereto as Exhibit B and is hereby incorporated into this Agreement by reference. DISTRICT shall be entitled to take advantage of the terms and provisions of the RCA purporting to the County of Orange, which are not in conflict with this Agreement, to the same extent as the County of Orange, and to the extent such terms and

provisions refer to the County of Orange, the DISTRICT shall be substituted for the County of Orange with respect to any such term or provision incorporated into this Agreement. Pursuant to Section 10 of the RCA, CONTRACTOR acknowledges and agrees it will hold the County of Orange harmless from all claims, demands, actions or causes of action of any kind resulting directly or indirectly, arising out of, or in any way connected with the use of the RCA by DISTRICT in connection with this Agreement.

25. Survival. All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between DISTRICT and CONTRACTOR shall survive the termination or expiration of this Agreement.

IN WITNESS THEREOF, these parties have executed this Agreement as of the date first written above.

“DISTRICT”
MIDWAY CITY SANITARY DISTRICT,
a public entity

“CONTRACTOR”
PROCURE AMERICA, LLC, a Delaware
limited liability company

By: _____
Robert Housley
General Manager

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

General Counsel
Midway City Sanitary District

By: _____
Name: _____
Title: _____

Tax ID No. _____

If CONTRACTOR is a corporation, a Corporate Resolution and/or Corporate Seal is required. If a partnership, Statement of Partnership must be submitted to District.

EXHIBIT A
STATEMENT OF WORK



PROCUREAMERICA
BUSINESS INTELLIGENCE SERVICES

Statement of Work

1.) STATEMENT OF WORK: Procure America (PA) is pleased to provide the following cost reduction consulting services to Client (as selected by Client) with the resolve and purpose of reducing or recovering costs.

- | | |
|---|---|
| <input type="checkbox"/> Waste & Recycle | <input checked="" type="checkbox"/> Utilities |
| <input type="checkbox"/> Print Management | <input checked="" type="checkbox"/> Treasury Services |
| <input type="checkbox"/> Telecommunications | <input type="checkbox"/> Technology Optimization |

PA shall use its best efforts to obtain cost savings for Client's benefit by analyzing Client's policies, procedures, supplier contracts, past invoices and other pertinent information as it relates to the above selected expense categories set for review. PA will gather information as to Client's needs (past, present and future) from Client's service providers so as to build a solution that not only lowers cost, but also matches Client's operational and corporate requirements and expectations. After analyzing Client's current spending patterns, PA shall provide Client with a findings report outlining PA's observations. PA's report will include a review of operations, cost reduction recommendations and potential service level enhancements. The report's recommendations will also include a comparison to the Client's historical cost or "Established Rates" to clearly outline the cost savings generated by this project. It is understood that despite PA's recommendations, the Client has the right not to proceed with any of PA's result findings or proposals.

2.) POST REVIEW PHASE: In the event that the Client wishes to proceed with PA's recommendations as set forth in PA's findings report, for the entire balance of the relationship with Client, PA will continue to consult with Client in an effort to continuously look for efficiencies in the chosen areas of focus. Periodically, the PA team will review Client's invoicing and deliverables to ensure accountability by Client's service providers with respect to the spirit and intent of the agreement between Client and the third-party service provider. This review will take into account service levels, cost controls and overall client satisfaction. Further, PA will continuously consult with Client to anticipate changes in service needs to ensure that the proper service provider, contract and procedures are in place to address Client's go forward requirements.

3.) REVENUE SHARE: Client has in place certain existing costs as it pertains to the requested expense categories selected for review ("Established Rates"). PA's findings report will document the Established Rates and specific recommendations for each service or product chosen for review and outline the methodology used to generate PA's report. Client and PA will then discuss and agree on the Established Rates for the targeted service or product as outlined in PA's findings report. If Client elects to proceed with any or all of the recommendations as set forth in PA's findings report, Client agrees to compensate PA for the savings outlined with the findings report. The Revenue Share to PA is thirty percent of the actual realized savings measured by the difference between the agreed upon Established Rates and Client's new costs as set forth in PA's findings report and documented through actual realized savings.

In some cases, the PA staff may discover over billing, credits, rebates or other sources of revenue. This income is to be considered expense reduction for purposes of this Agreement and will be accounted for in the same manner as the expense reduction savings. This revenue shall be shared with PA after the refunds or other credits are realized by Client. In other cases, PA may have the ability to recover rebates or other compensation by contractors or service providers. PA shall disclose this compensation to Client and both parties shall share this revenue as savings at the time the revenue is received. It may be necessary to institute cost reduction strategies within a specific expense category in stages. If this occurs, then each stage of implementation will be viewed with its own billing cycle.

4.) CLIENT PARTICIPATION: Client shall give its full cooperation to PA in providing all required documents, invoices, contracts and staff consultation time to PA’s evaluation team in order to conduct the expense reduction review. During the review process, Client agrees not to renegotiate, amend or extend in place contracts or introduce operational procedures/changes that will effect cost/pricing and or contractual obligations of the Client to the supplier. Any cost reduction made during the assessment process will be credited to PA’s presence and is therefore treated as such and factored into the shared revenue structure. During the course of the relationship between PA and Client, Client and PA understand that despite PA’s recommendations, suggestions, potential suppliers and other proposals, Client has the right not to proceed with said proposals. However, if Client does pursue any or all of the documented review recommendations (with or without PA’s further assistance), PA is entitled to the appropriate revenue share as outlined in Section 3 above. Client agrees to grant PA the right to review any materials (books, records, invoices, contracts or other information) related to the review category selected by Client in Section 1 above. PA is authorized to obtain information relating to the provider accounts directly from the providers personnel and provider websites. Any additional Client request or engagements, written or otherwise, to review supplementary expenses or income streams will also be governed by this Agreement.

This Agreement shall commence with the Client’s first PA invoice per expense category and will be in effect for an initial 60 month term. Each expense reduction category carries its own 60 month term/billing cycle commencing on the first invoice for that particular practice group. If the savings is implemented in stages, each stage will carry its own 60 month term. PA and Client shall have the option to terminate this Agreement after the initial term with a 30 day prior written notice to the other party.

5.) CONFIDENTIALITY: Each party shall maintain in strict confidence all information received from the other party in the performance of this Agreement. Client acknowledges and agrees that any intellectual property developed or used by PA shall be the property of PA.

IN WITNESS WHEREOF, Client has executed this Agreement to be effective on the date below.

Client: _____

By: _____

Title: _____

Signature: _____

Date: _____



EXHIBIT B

REGIONAL COOPERATIVE AGREEMENT

**CONTRACT RCA-017-19010018
FOR
COST RECOVERY AND REDUCTION SERVICES**

THIS Contract, *RCA-017-19010018* for Cost Recovery and Reduction Services, (hereinafter referred to as "Contract") is made and entered into as of the date fully executed by and between the County of Orange, a political subdivision of the State of California, (hereinafter referred to as "County") and Procure America, Inc. (hereinafter referred to as "Contractor") with County and Contractor sometimes individually referred to as ("Party"), or collectively referred to as ("Parties").

RECITALS

WHEREAS, Contractor responded to a Request for Proposal ("RFP") to provide cost recovery and reductions services for the County; and,

WHEREAS, County and Contractor are entering into this Contract for Cost Recovery and Reduction Services under a Usage Contract; and,

WHEREAS, Contractor agrees to provide Cost Recovery and Reduction Services to the County as further set forth in the Scope of Work, attached hereto as Attachment A and incorporated herein; and,

WHEREAS, County agrees to pay Contractor the fees as further set forth in Contractor's Pricing, attached hereto as Attachment B and incorporated herein;

NOW THEREFORE, the Parties mutually agree as follows:

ARTICLES

GENERAL TERMS AND CONDITIONS:

- A. **Governing Law and Venue:** This Contract has been negotiated and executed in the state of California and shall be governed by and construed under the laws of the state of California. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the parties specifically agree to waive any and all rights to request that an action be transferred for adjudication to another county.
- B. **Entire Contract:** This Contract, including Attachments which are attached hereto and incorporated herein by this reference, contains the entire Contract between the parties with respect to the matters herein, and there are no restrictions, promises, warranties or undertakings other than those set forth herein or referred to herein. No exceptions, alternatives, substitutes or revisions are valid or binding on County unless authorized by County in writing. Electronic acceptance of any additional terms, conditions or supplemental Contracts by any County employee or agent, including but not limited to installers of software, shall not be valid or binding on County unless accepted in writing by County's Purchasing Agent or designee.
- C. **Amendments:** No alteration or variation of the terms of this Contract shall be valid unless made in writing and signed by the parties; no oral understanding or agreement not incorporated herein shall be binding on either of the parties; and no exceptions, alternatives, substitutes or revisions are valid or binding on County unless authorized by County in writing.

- D. **Taxes:** Unless otherwise provided herein or by law, price quoted does not include California state sales or use tax. Out-of-state Contractors shall indicate California Board of Equalization permit number and sales permit number on invoices, if California sales tax is added and collectable. If no permit numbers are shown, sales tax will be deducted from payment. The Auditor-Controller will then pay use tax directly to the State of California in lieu of payment of sales tax to the Contractor.
- E. **Delivery:** Time of delivery of goods or services is of the essence in this Contract. County reserves the right to refuse any goods or services and to cancel all or any part of the goods not conforming to applicable specifications, drawings, samples or descriptions or services that do not conform to the prescribed statement of work. Acceptance of any part of the order for goods shall not bind County to accept future shipments nor deprive it of the right to return goods already accepted at Contractor's expense. Over shipments and under shipments of goods shall be only as agreed to in writing by County. Delivery shall not be deemed to be complete until all goods or services have actually been received and accepted in writing by County.
- F. **Acceptance/Payment:** Unless otherwise agreed to in writing by County: 1) acceptance shall not be deemed complete unless in writing and until all the goods/services have actually been received, inspected, and tested to the satisfaction of County, and 2) payment shall be made in arrears after satisfactory acceptance.
- G. **Warranty:** Contractor expressly warrants that the goods covered by this Contract are 1) free of liens or encumbrances, 2) merchantable and good for the ordinary purposes for which they are used, and 3) fit for the particular purpose for which they are intended. Acceptance of this order shall constitute an agreement upon Contractor's part to indemnify, defend and hold County and its indemnities as identified in paragraph "Z" below, and as more fully described in paragraph "Z," harmless from liability, loss, damage and expense, including reasonable counsel fees, incurred or sustained by County by reason of the failure of the goods/services to conform to such warranties, faulty work performance, negligent or unlawful acts, and non-compliance with any applicable state or federal codes, ordinances, orders, or statutes, including the Occupational Safety and Health Act (OSHA) and the California Industrial Safety Act. Such remedies shall be in addition to any other remedies provided by law.
- H. **Patent/Copyright Materials/Proprietary Infringement:** Unless otherwise expressly provided in this Contract, Contractor shall be solely responsible for clearing the right to use any patented or copyrighted materials in the performance of this Contract. Contractor warrants that any software as modified through services provided hereunder will not infringe upon or violate any patent, proprietary right, or trade secret right of any third party. Contractor agrees that, in accordance with the more specific requirement contained in paragraph "Z" below, it shall indemnify, defend and hold County and County Indemnities harmless from any and all such claims and be responsible for payment of all costs, damages, penalties and expenses related to or arising from such claim(s), including, costs and expenses but not including attorney's fees.
- I. **Assignment or Sub-Contracting:** The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of the parties. Furthermore, neither the performance of this Contract nor any portion thereof may be assigned by Contractor without the express written consent of County. Any attempt by Contractor to assign the performance or any portion thereof of this Contract without the express written consent of County shall be invalid and shall constitute a breach of this Contract.
- J. **Non-Discrimination:** In the performance of this Contract, Contractor agrees that it will comply with the requirements of Section 1735 of the California Labor Code and not engage nor permit any subcontractors to engage in discrimination in employment of persons because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons. Contractor acknowledges that a violation of this provision shall subject Contractor to penalties pursuant to Section 1741 of the California Labor Code.

- K. **Termination:** In addition to any other remedies or rights it may have by law, County has the right to immediately terminate this Contract without penalty for cause or after 30 days' written notice without cause, unless otherwise specified. Cause shall be defined as any material breach of contract, any misrepresentation or fraud on the part of the Contractor. Exercise by County of its right to terminate the Contract shall relieve County of all further obligation.
- L. **Consent to Breach Not Waiver:** No term or provision of this Contract shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the Party claimed to have waived or consented. Any consent by any Party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.
- M. **Independent Contractor:** Contractor shall be considered an independent contractor and neither Contractor, its employees, nor anyone working under Contractor shall be considered an agent or an employee of County. Neither Contractor, its employees nor anyone working under Contractor shall qualify for workers' compensation or other fringe benefits of any kind through County.
- N. **Performance:** Contractor shall warrant all work under this Contract, taking necessary steps and precautions to perform the work to County's satisfaction. Contractor shall be responsible for the professional quality, technical assurance, timely completion and coordination of all documentation and other goods/services furnished by the Contractor under this Contract. Contractor shall perform all work diligently, carefully, and in a good and workmanlike manner; shall furnish all necessary labor, supervision, machinery, equipment, materials, and supplies, shall at its sole expense obtain and maintain all permits and licenses required by public authorities, including those of County required in its governmental capacity, in connection with performance of the work. If permitted to subcontract, Contractor shall be fully responsible for all work performed by subcontractors.
- O. **Insurance Provision:** Prior to the provision of services under this Contract, the Contractor Prior to the provision of services under this Contract, the Contractor agrees to purchase all required insurance at Contractor's expense, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this Contract have been complied with. Contractor agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on deposit with the County during the entire term of this Contract. In addition, all subcontractors performing work on behalf of Contractor pursuant to this Contract shall obtain insurance subject to the same terms and conditions as set forth herein for Contractor.

Contractor shall ensure that all subcontractors performing work on behalf of Contractor pursuant to this Contract shall be covered under Contractor's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for Contractor. Contractor shall not allow subcontractors to work if subcontractors have less than the level of coverage required by County from Contractor under this Contract. It is the obligation of Contractor to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by Contractor through the entirety of this Contract for inspection by County representative(s) at any reasonable time.

All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of Fifty Thousand Dollars (\$50,000) shall specifically be approved by the County's Risk Manager, or designee, upon review of Contractor's current audited financial report. If Contractor's SIR is approved, Contractor, in addition to, and without limitation of, any other indemnity provision(s) in this Contract, agrees to all of the following:

- 1) In addition to the duty to indemnify and hold the County harmless against any and all liability, claim, demand or suit resulting from Contractor's, its agents, employee's or subcontractor's performance of this Contract, Contractor shall defend the County at its sole cost and expense with counsel approved by Board of Supervisors against same; and
- 2) Contractor's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and
- 3) The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the Contractor's SIR provision shall be interpreted as though the Contractor was an insurer and the County was the insured.

If the Contractor fails to maintain insurance acceptable to the County for the full term of this Contract, the County may terminate this Contract.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**). It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Contractor shall provide the minimum limits and coverage as set forth below:

Coverage	Minimum Limits
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 combined single limit per occurrence
Workers' Compensation	Statutory
Professional Liability Insurance	\$1,000,000 per claims-made \$1,000,000 aggregate

Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

- 1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the *County of Orange its elected and appointed officials, officers, agents and employees* as Additional Insureds, or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN CONTRACT.**
- 2) A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad evidencing that the Contractor's insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the *County of Orange, its elected and appointed officials, officers, agents and employees* or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN CONTRACT**.

All insurance policies required by this Contract shall waive all rights of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

Contractor shall notify County in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation notice to County. Failure to provide written notice of cancellation may constitute a material breach of the Contract, upon which the County may suspend or terminate this Contract.

The Commercial General Liability policy shall contain a severability of interest clause also known as a "separation of insureds" clause (standard in the ISO CG 0001 Policy)

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the Contractor fails to provide the insurance certificates and endorsements within seven (7) days of notification by CEO/Purchasing or the agency/department purchasing division, award may be made to the next qualified vendor.

County expressly retains the right to require Contractor to increase or decrease insurance of any of the above insurance types throughout the term of this Contract. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.

County shall notify Contractor in writing of changes in the insurance requirements. If Contractor does not deposit copies of acceptable Certificates of Insurance and endorsements with County incorporating such changes within thirty (30) days of receipt of such notice, this Contract may be in breach without further notice to Contractor, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this Contract, nor act in any way to reduce the policy coverage and limits available from the insurer.

P. **Changes:** Contractor shall make no changes in the work or perform any additional work without the County's specific written approval.

Q. **Change of Ownership/Name, Litigation Status, Conflicts with County Interests:** Contractor agrees that if there is a change or transfer in ownership of Contractor's business prior to completion of this Contract, and the County agrees to an assignment of the Contract, the new owners shall be required under terms of sale or other transfer to assume Contractor's duties and obligations contained in this Contract and complete them to the satisfaction of the County.

County reserves the right to immediately terminate the Contract in the event the County determines that the assignee is not qualified or is otherwise unacceptable to the County for the provision of services under the Contract.

In addition, Contractor has the duty to notify the County in writing of any change in the Contractor's status with respect to name changes that do not require an assignment of the Contract. The Contractor is also obligated to notify the County in writing if the Contractor becomes a party to any litigation against the County, or a party to litigation that may reasonably affect the Contractor's performance under the Contract, as well as any potential conflicts of interest between Contractor and County that may arise prior to or during the period of Contract performance. While Contractor will be required to provide this information without prompting

from the County any time there is a change in Contractor's name, conflict of interest or litigation status, Contractor must also provide an update to the County of its status in these areas whenever requested by the County.

The Contractor shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with County interests. In addition to the Contractor, this obligation shall apply to the Contractor's employees, agents, and subcontractors associated with the provision of goods and services provided under this Contract. The Contractor's efforts shall include, but not be limited to establishing rules and procedures preventing its employees, agents, and subcontractors from providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to influence or appear to influence County staff or elected officers in the performance of their duties.

- R. **Force Majeure:** Contractor shall not be assessed with liquidated damages or unsatisfactory performance penalties during any delay beyond the time named for the performance of this Contract caused by any act of God, war, civil disorder, employment strike or other cause beyond its reasonable control, provided Contractor gives written notice of the cause of the delay to County within 36 hours of the start of the delay and Contractor avails himself of any available remedies.
- S. **Confidentiality:** Contractor agrees to maintain the confidentiality of all County and County-related records and information pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this Contract. All such records and information shall be considered confidential and kept confidential by Contractor and Contractor's staff, agents and employees.
- T. **Compliance with Laws:** Contractor represents and warrants that services to be provided under this Contract shall fully comply, at Contractor's expense, with all standards, laws, statutes, restrictions, ordinances, requirements, and regulations (collectively "laws"), including, but not limited to those issued by County in its governmental capacity and all other laws applicable to the services at the time services are provided to and accepted by County. Contractor acknowledges that County is relying on Contractor to ensure such compliance, and pursuant to the requirements of paragraph "Z" below, Contractor agrees that it shall defend, indemnify and hold County and County INDEMNITEES harmless from all liability, damages, costs and expenses arising from or related to a violation of such laws.
- U. **Freight:** Intentionally Omitted.
- V. **Severability:** If any term, covenant, condition or provision of this Contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.
- W. **Attorney Fees:** In any action or proceeding to enforce or interpret any provision of this Contract, each party shall bear their own attorney's fees, costs and expenses.
- X. **Interpretation:** This Contract has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with in this Contract. In addition, each party had been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each party further acknowledges that they have not been influenced to any extent whatsoever in executing this Contract by any other party hereto or by any person representing them, or both. Accordingly, any rule or law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Contract against the party that has drafted it is not applicable and is waived. The provisions of this Contract shall be interpreted in a reasonable manner to effect the purpose of the parties and this Contract.

- Y. **Employee Eligibility Verification:** The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirement set forth in Federal statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal or State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by the law. The Contractor shall indemnify, defend with counsel approved in writing by County, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.
- Z. **Indemnification:** Contractor agrees to indemnify, defend with counsel approved in writing by County, and hold County, its elected and appointed officials, officers, employees, agents and those special districts and agencies which County's Board of Supervisors acts as the governing Board ("County Indemnities") harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by Contractor pursuant to this Contract. If judgment is entered against Contractor and County by a court of competent jurisdiction because of the concurrent active negligence of County or County Indemnities, Contractor and County agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.
- AA. **Audits/Inspections:** Contractor agrees to permit the County's Auditor-Controller or the Auditor-Controller's authorized representative (including auditors from a private auditing firm hired by the County) access during normal working hours to all books, accounts, records, reports, files, financial records, supporting documentation, including payroll and accounts payable/receivable records, and other papers or property of Contractor for the purpose of auditing or inspecting any aspect of performance under this Contract. The inspection and/or audit will be confined to those matters connected with the performance of the Contract including, but not limited to, the costs of administering the Contract. The County will provide reasonable notice of such an audit or inspection.
- The County reserves the right to audit and verify the Contractor's records before final payment is made.
- Contractor agrees to maintain such records for possible audit for a minimum of three years after final payment, unless a longer period of records retention is stipulated under this Contract or by law. Contractor agrees to allow interviews of any employees or others who might reasonably have information related to such records. Further, Contractor agrees to include a similar right to the County to audit records and interview staff of any subcontractor related to performance of this Contract.
- Should the Contractor cease to exist as a legal entity, the Contractor's records pertaining to this Contract shall be forwarded to the County's project manager.
- BB. **Contingency of Funds:** Contractor acknowledges that funding or portions of funding for this Contract may be contingent upon state budget approval; receipt of funds from, and/or obligation of funds by, the state of California to County; and inclusion of sufficient funding for the services hereunder in the budget approved by County's Board of Supervisors for each fiscal year covered by this Contract. If such approval, funding or appropriations are not forthcoming, or are otherwise limited, County may immediately terminate or modify this Contract without penalty.

- CC. **Expenditure Limit:** The Contractor shall notify the County of Orange assigned Deputy Purchasing Agent in writing when the expenditures against the Contract reach 75 percent of the dollar limit on the Contract. The County will not be responsible for any expenditure overruns and will not pay for work exceeding the dollar limit on the Contract unless a change order to cover those costs has been issued.

ADDITIONAL TERMS AND CONDITIONS:

1. **Scope of Contract:** This Contract, including attachment(s), specifies the contractual terms and conditions by which the Contractor will provide Cost Recovery and Reduction Services under a usage Contract.
2. **Term:** This Contract shall be effective upon execution of all signatures, and shall continue for five (5) years, unless otherwise terminated as provided herein. This Contract is not renewable.
3. **Regional Cooperative Agreement (RCA):** This Contract is to be used as an RCA against which subordinate contracts will be created and issued by the user agencies/departments based on the fixed pricing, terms, and conditions of this RCA. The subordinate contract must end prior to or be coterminous with this RCA. Contractor will be required to provide services requested by County departments. For the Contractor's full and complete performance of its obligations under this Contract, the County shall compensate the Contractor the fixed prices set forth herein.

As required by County policy, subordinate Contracts created against the RCA may require Board of Supervisors approval.

4. **Precedence:** The Contract documents consist of this Contract and attachments. In the event of a conflict between or among the Contract documents, the order of precedence shall be the provisions of the main body of this Contract, i.e., those provisions set forth in the recitals and articles of this Contract, and then the attachments.
5. **County's Project Manager:** The County Project Manager, as specified in Article "21" Notices, will act as liaison between the County and the Contractor during the term of this Contract. The County's Project Manager shall coordinate the activities of the County staff assigned to work with the Contractor.

The County's Project Manager shall have the right to require the removal and replacement of the Contractor's Project Manager and Contractor personnel. The County's Project Manager shall notify the Contractor in writing of such action. The Contractor shall accomplish the removal within 14 calendar days after written notice by the County's Project Manager. The County's Project Manager shall review and approve the appointment of the replacement for the Contractor's Project Manager and Contractor personnel. Said approval shall not be unreasonably withheld.

6. **Contractor's Project Manager:** Contractor Project Manager, as specified in Article "21" Notices, will direct the Contractor's efforts in fulfilling Contractor's obligations under this Contract. This Project Manager shall be subject to approval by the County and shall not be changed without the written consent of the County's Project Manager, which consent shall not be unreasonably withheld.

The Contractor's Project Manager shall be assigned to this Contract for the duration of the Contract and shall diligently pursue all work and services to meet the project time lines. The County's Project Manager shall have the right to require the removal and replacement of the Contractor's Project Manager from providing services to the County under this Contract. The County's Project Manager shall notify the Contractor in writing of such action. The Contractor shall accomplish the removal within three (3) business days after written notice by the County's Project Manager. The County's Project Manager shall review and approve the appointment of the replacement for the Contractor's Project Manager. The County is not required to provide any additional information, reason or rationale in the event it requires the removal of Contractor's Project Manager from providing further services under the Contract.

7. **Conditions Affecting Work:** The Contractor shall be responsible for taking all steps reasonably necessary to ascertain the nature and location of the work to be performed under this Contract and to know the general conditions which can affect the work or the cost thereof. Any failure by the Contractor to do so will not relieve Contractor from responsibility for successfully performing the work without additional cost to the County. The County assumes no responsibility for any understanding or representations concerning the nature, location(s) or general conditions made by any of its officers or agents prior to the execution of this Contract, unless such understanding or representations by the County are expressly stated in the Contract.
8. **Contractor's Records:** The Contractor shall keep true and accurate accounts, records, books and data which shall correctly reflect the business transacted by the contractor in accordance with generally accepted accounting principles. These records shall be stored in Orange County for a period of three years after final payment is received from the County. Storage of records in another county will require written approval from the County of Orange DPA.
9. **Usage:** No guarantee is given by the County to the Contractor regarding usage of this Contract. Usage figures, if provided, are approximate, based upon past usage. The Contractor agrees to supply services requested, as needed by the County, at rates/prices listed in the Contract, regardless of quantity requested.
10. **Cooperative Agreement:** The provisions and pricing of this Contract will be extended to other local or state governmental entities. Governmental entities wishing to use this Contract will be responsible for issuing their own purchase documents/price agreements, providing for their own acceptance, and making any subsequent payments. Contractor shall be required to include in any contract entered into with another agency or entity that is entered into as an extension of this Contract a contract clause that will hold harmless the County of Orange from all claims, demands, actions or causes of actions of every kind resulting directly or indirectly, arising out of, or in any way connected with the use of this contract. Failure to do so will be considered a material breach of this Contract and grounds for immediate Contract termination. The cooperative entities are responsible for obtaining all certificates of insurance and bonds required. The Contractor is responsible for providing each cooperative entity a copy of the Contract upon request by the cooperative entity. The County of Orange makes no guarantee of usage by other users of this Contract.

The Contractor shall be required to maintain a list of the cooperative entities using this Contract. The list shall report dollar volumes spent annually, per entity, and shall be provided to the County within seven (7) calendar days upon County's request.

11. **Child Support Enforcement Requirements:** Contractor certifies it is in full compliance with all applicable federal and state reporting requirements regarding its employees and with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments and will continue to be in compliance throughout the term of the Contract with the County of Orange. Failure to comply shall constitute a material breach of the Contract and failure to cure such breach within 60 calendar days of notice from the County shall constitute grounds for termination of the Contract.
12. **Ownership of Documents:** The County has permanent ownership of all directly connected and derivative materials produced under this Contract by the Contractor. All documents, reports and other incidental or derivative work or materials furnished hereunder shall become and remains the sole property of the County and may be used by the County as it may require without additional cost to the County. None of the documents, reports and other incidental or derivative work or furnished materials shall be used by the Contractor without the express written consent of the County.
13. **Data – Title To:** All materials, documents, data or information obtained from the County data files or any County medium furnished to the Contractor in the performance of this Contract will at all times remain the property of the County. Such data or information may not be used or copied for direct or indirect use by the Contractor after completion or termination of this Contract without the express written consent of the County. All materials, documents, data or information, including copies, must be returned to the County at the end of this Contract.
14. **Publication:** No copies of sketches, schedules, written documents, computer based data, photographs, maps or graphs, including graphic art work, resulting from performance or prepared in connection with this Contract, are to be released by Contractor and/or anyone acting under the supervision of Contractor to any person, partnership, company, corporation, or agency, without prior written approval by the County, except as necessary for the performance of the services of this Contract. All press contacts, including graphic display information to be published in newspapers, magazines, etc., are to be administered only after County approval.
15. **Errors and Omissions:** All reports, files and other documents prepared and submitted by Contractor shall be complete and shall be carefully checked by the professional(s) identified by Contractor as Project Manager and key personnel attached hereto, prior to submission to the County. Contractor agrees that County review is discretionary and Contractor shall not assume that the County will discover errors and/or omissions. If the County discovers any errors or omissions prior to approving Contractor's reports, files and other written documents, the reports, files or documents will be returned to Contractor for correction. Should the County or others discover errors or omissions in the reports, files or other written documents submitted by the Contractor after County approval thereof, County approval of Contractor's reports, files or documents shall not be used as a defense by Contractor in any action between the County and Contractor, and the reports, files or documents will be returned to Contractor for correction.
16. **News/Information Release:** The Contractor agrees that it will not issue any news releases or make any contact with the media in connection with either the award of this Contract or any subsequent amendment of, or effort under this Contract. Contractors must first obtain review and approval of said news media contact from the County through the County DPA. Any requests for interviews or information received by the media should be referred directly to the County. Contractors are not authorized to serve as a media spokespersons for County projects without first obtaining permission from the County.

17. **Breach of Contract:** The failure of the Contractor to comply with any of the provisions, covenants or conditions of this Contract, shall constitute a material breach of this Contract. In such event the County may, and in addition to any other remedies available at law, in equity, or otherwise specified in this Contract:
- a. Afford the Contractor written notice of the breach and ten calendar days or such shorter time that may be specified in this Contract within which to cure the breach;
 - b. Discontinue payment to the Contractor for and during the period in which the Contractor is in breach and offset against any monies billed by the Contractor but yet unpaid by the County those monies disallowed pursuant to the above.
 - c. Terminate the Contract immediately without penalty.
18. **Contract Disputes:** The Parties shall deal in good faith and attempt to resolve potential disputes informally. If the dispute concerning a question of fact arising under the terms of this Contract is not disposed of in a reasonable period of time by the Contractor's Project Manager and the County's Project Manager by way of the following process, such matter shall be brought to the attention of the County DPA by way of the following process:

- a. The Contractor shall submit to the County DPA a written demand for a final decision regarding the disposition of any dispute between the Parties arising under, related to, or involving this Contract, unless the County, on its own initiative, has already rendered such a final decision.
- b. The Contractor's written demand shall be fully supported by factual information, and, if such demand involves a cost adjustment to the Contract, the Contractor shall include with the demand a written statement signed by a senior official indicating that the demand is made in good faith, that the supporting data are accurate and complete, and that the amount requested accurately reflects the Contract adjustment for which the Contractor believes the County is liable.

Pending the final resolution of any dispute arising under, related to, or involving this Contract, the Contractor agrees to diligently proceed with the performance of this Contract, including the delivery of goods and/or provision of services. The Contractor's failure to diligently proceed shall be considered a material breach of this Contract.

Any final decision of the County shall be expressly identified as such, shall be in writing, and shall be signed by the County Purchasing Agent or his designee. If the County fails to render a decision within ninety (90) days after receipt of the Contractor's demand, it shall be deemed a final decision adverse to the Contractor's contentions. Nothing in this section shall be construed as affecting the County's right to terminate the Contract for Cause or Terminate for Convenience as stated in Section K herein.

19. **Orderly Termination:** Upon termination or other expiration of this Contract, each Party shall promptly return to the other Party all papers, materials, and other properties of the other held by each for purposes of execution of the Contract. In addition, each Party will assist the other Party in orderly termination of this Contract and the transfer of all assets, tangible and intangible, as may be necessary for the orderly, non-disruptive business continuation of each Party.

20. **Contractor's Expense:** The Contractor will be responsible for all costs related to photo copying, telephone communications, fax communications, and parking while on County sites during the performance of work and services under this Contract. The County will not provide free parking for any service in the County Civic Center.
21. **Notices:** Any and all notices, requests demands and other communications contemplated, called for, permitted, or required to be given hereunder shall be in writing, except through the course of the parties' project managers' routine exchange of information and cooperation during the terms of the work and services. Any written communications shall be deemed to have been duly given upon actual in-person delivery, if delivery is by direct hand, or upon delivery on the actual day of receipt or no greater than four calendar days after being mailed by US certified or registered mail, return receipt requested, postage prepaid, whichever occurs first. The date of mailing shall count as the first day. All communications shall be addressed to the appropriate party at the address stated herein or such other address as the parties hereto may designate by written notice from time to time in the manner aforesaid.

County: County of Orange, County Procurement Office
Attn: Jeff Miller
1300 S. Grand Avenue
Building-A, 2nd Floor
Santa Ana, CA 92705
Phone: 714-796-8329
Email: jeff.miller@ocgov.com


Contractor: Procure America, Inc.
Attn: Fred Armendariz
31103 Rancho Viejo Rd., # D2102
San Juan Capistrano, CA 92675
Telephone: 949-388-2686
Email: f.armendariz@procureamerica.org

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the Parties hereto have executed this Contract on the dates following their respective signatures.

PROCURE AMERICA, INC,

By:  _____

By:  _____

Print Name: FRED ARMOUR, II

Print Name: FRED ARMOUR, II

Title: President CFO

Title: Secretary

Date: 6/21/19

Date: 6/21/19

*If the Contractor is a corporation, signatures of two specific corporate officers are required as further set forth. The first corporate officer signature must be one of the following: 1) the Chairman of the Board, 2) the President or 3) any Vice President. The second corporate officer signature must be one of the following: 1) Secretary, 2) Assistant Secretary, 3) Chief Financial Officer or 4) Assistant Treasurer. The signature of one person alone is sufficient to bind a corporation, as long as he or she holds corporate offices in each of the two categories described above. For County purposes, proof of such dual office holding will be satisfied by having the individual sign the instrument twice, each time indicating his or her office that qualifies under the above described provision. In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution demonstrating the legal authority of the signator to bind the corporation.

COUNTY OF ORANGE, a political subdivision of the State of California

By:  _____

Print Name: Jeff Miller

Title: Deputy Purchasing Agent

Date: 6/25/19

ATTACHMENT A SCOPE OF WORK

- I. **INTRODUCTION:** Contractor shall provide County with two separate program option (Basic and Basic Plus-ESP) for Cost Recovery and Expenses Reduction Services under this Scope of Work for obtaining cost savings/refunds through audits and assessments relating to billing invoices and taxes. Contractor shall review, audit, and implement applicable billing rates amongst all County accounts in an effort to provide Cost Recovery and Reduction Services.

In an effort to reduce current billing costs and ensure all rates are secured and correct amongst service providers, Contractor will provide to the County expertise in billing audits with the primary goal of cost reduction. Contractor will review and audit in depth County accounts to recover overpayment and correct billing rates, calculation methods and tariffs including taxes.

The County has multiple contracts with service providers for supply of the following:

- Utilities
- Waste & Recycling
- Telecommunications
- Document Management
- Treasury Services
- Shipping & Logistics

II. PROGRAM OPTIONS:

A. BASIC PROGRAM –BILL AUDIT (Contract to invoice compliance review):

1. In this service, Contractor shall conduct a review of the target expense category's supplier contract with the "County" to outline the cost structures, terms, conditions.
2. Contractor would then deliver a report back to "County" with their findings and subsequent recovery plan.
3. In the event that Contractor identifies billing or contract errors, Contractor would work with the "County" and the supplier to rectify the discrepancy and settle the account accordingly.

B. BASIC PLUS PROGRAM-ESP: - ENTERPRISE STRATEGIC PLAN (ESP):

1. This program includes all the services outlined in the "Basic Program" and the creation of a custom strategic sourcing program that is designed to support the "County's" short, medium and long term goals as it pertains to the subject expense category(s).
 - a. The specific areas of focus in an ESP are:
 - i. Service Level Management
 - ii. Complete service and or equipment inventory
 - iii. Expense Transparency
 - iv. Vendor Administration
 - v. RFP and or Solicitation Support
 - vi. Net Cost Reduction
 - vii. Implementation of ESP
 - viii. Manage Institutional Change Migration
2. ESP report would outline the go forward strategic plan, action steps, deliverable milestones and program outcomes.

II. GENERAL CONTRACTOR REQUIREMENTS:

- A. Upon County request, Contractor will conduct deep dive analytics (Basic and Basic Plus-ESP).
- B. Contractor shall use its' best efforts to obtain cost savings/refunds for County's benefit by analyzing County's policies, procedures, service provider contracts, past invoices and other pertinent information as it relates to the above selected expense categories set for review (Basic and Basic Plus-ESP)..
- C. Contractor will further gather information as to County's needs (past and present) from County's service providers, so as, to build a solution that not only lowers cost, but also matches County's operational requirements and expectations (Basic Plus-ESP).
- D. Contractor will provide progress reports throughout the audit review, designated deliverable dates will be determined based on review timeline (Basic Plus-Plus).
- E. After analyzing County current spending patterns, Contractor shall provide County with a strategic sourcing report outlining Contractor's observations and recommendations. Contractor's report will include a review of operations, cost reduction recommendations and potential service level enhancements. Contractor will educate County designated staff on best practices related to the applicable review (Basic Plus-ESP).
- F. Contractor will review County's invoicing and deliverables to ensure accountability by County's service providers with respect to the spirit and intent of the Contract between County and the third party service provider. The review will take into account service types, levels, cost controls and overall County satisfaction (Basic and Basic Plus-ESP).
- G. Contractor will continue ongoing services with County to anticipate changes in service needs to ensure that the proper service provider, contract and procedures are in place to address County's go forward requirements (Basic Plus-ESP).
- H. Contractor report will include a full catalogue of all meters and accounts surveyed and will document the Established Rates for each service or product chosen for review and outline the methodology for Contractor's findings. County and Contractor will discuss, agree and document the Established Rates for the targeted service or product (Basic Plus-ESP).
- I. Contractor may discover over billing, credits, rebates, ongoing savings or other sources of revenue. This income is to be considered expense reduction for purposes of this Contract and will be accounted for in the same manner as the expense reduction savings (Basic and Basic Plus-ESP).
- J. Contractor may have the ability to recover rebates or other compensation by service providers. Contractor shall disclose this compensation to the County and both Parties shall share this revenue as savings, in accordance with Attachment B, "Contractor's Rates/Compensation", after revenue is received by the County (Basic and Basic Plus-ESP).
- K. It may be necessary to institute cost reduction strategies within a specific expense category in stages. If this occurs, and upon County approval, each stage of implementation will be viewed with its' own billing cycle (Basic Plus-ESP).
- L. Contractor acknowledges that all information supplied by County shall be kept confidential. Contractor, its subcontractors, employees, or agents shall not disclose such information to any third parties other than Contractor's subcontractors, employees, or agents on a need-to-know basis for the purpose of Contract performance and to other third parties as required for providing services under this Contract. Contractor shall not use any information, documents, or data provided by County for any proprietary purposes and shall not copy, sell, exchange, disclose, or provide to others, or use any information, documents, or data reasonably related to this Contract for its own proprietary interests (Basic and Basic Plus-ESP).

- M. Contractor shall perform all Cost Recovery and Reduction Services required under this Contract in conformity with professional standards, and shall provide qualified personnel (licensed, if applicable) to meet such standards (Basic and Basic Plus-ESP).
 - N. **Ownership of County Data** - Contractor acknowledges and agrees that all information supplied by County to Contractor (hereinafter, "County Data") shall remain the property of County. The County Data shall not be used by Contractor other than in connection with providing the services pursuant to this Contract. County Data shall not be disclosed, sold, assigned, leased or otherwise provided to third parties by Contractor, or commercially exploited by or on behalf of Contractor, its employees, officers, agents, subcontractors, invitees, or assigns in any respect. Contractor shall not delete or destroy any County Data or media on which County Data resides without prior written authorization of County. At no cost to County, Contractor shall, upon County request, promptly return to County, in the format and on the media in use as of the date of the request, any and all requested portion of any County Data it may possess or control as well as all work product including exploratory information (Basic and Basic Plus-ESP).
 - O. It shall be Contractor's responsibility to ensure compatibility of County's data files and transmittal medium to Contractor's computer system. Contractor shall bear all costs, if necessary, for data conversion to make County's computer system compatible with that of Contractor's and any incidental costs related to the data transfer. Contractor shall promptly inform County of any problems and/or issues with any data conversion or transfer of County's data files (Basic and Basic Plus-ESP).
 - P. Contractor is responsible for ensuring that all transmittals to County are compatible with County's ability to record and read such data. Any and all corrupted or otherwise defective data shall be replaced by Contractor at no cost, additional or otherwise, to County (Basic and Basic Plus-ESP).
 - Q. During the review, Contractor shall notify the County of any compliance concerns with current and upcoming applicable laws related to provider services (specified in I.1-6 above); this shall be part of the review (Basic Plus-ESP).
 - R. During the term of this Contract, Contractor understands that despite Contractor(s) recommendations, suggestions, potential suppliers and other recommendations; County has the right not to proceed with any or all said recommendations (Basic and Basic Plus-ESP).
- II. COUNTY REQUIREMENTS FOR BOTH PROGRAMS BASIC AND BASIC PLUS-ESP:**
- A. County shall provide all required documents, invoices, contracts and staff consultation time to Contractor in order to conduct the expense reduction review.
 - B. During the review process, County, to the best of its ability, will not renegotiate, amend or extend in place contracts or introduce operational procedures/changes that will effect cost/pricing and or contractual obligations of the County to the service provider.
- III. SAVINGS/REFUND VERIFICATION DOCUMENTATION:**
- A. Contractor will be submit monthly or at County's discretion verifiable documentation that the correction/retroactive refund/credit/recommendation has been accomplished and savings were implemented. A detailed explanation of savings will be presented by Contractor to clarify and further corroborate the calculated savings (Basic and Basic Plus-ESP).

**ATTACHMENT B
CONTRACTOR'S RATES/COMPENSATION**

- I. COMPENSATION:** This is a usage Contract between County and Contractor to provide Cost Recovery and Reduction Services, as needed and as set forth in Attachment-A, "Scope of Work."

Contractor agrees to accept the specified compensation as set forth in this Contract as full remuneration for performing all services and furnishing all staffing, labor, vehicles, equipment, tools, materials, overhead, travel, etc. required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by Contractor of all its duties and obligations hereunder. There will be no up-front fees and Contractor shall only be compensated as set forth herein below for work performed in accordance with the Scope of Work. County shall have no obligation to pay any sum in excess of the Fee specified herein below unless authorized by amendment in accordance with Articles "C" and "P" of the County Contract Terms and Conditions.

- II. PRICING:** County will pay fees at the following percentage rate of cost savings/refunds, per audit review, after County approves and receives Contractor recommendations in accordance with the provisions of this Contract.

1. COST REDUCTION AND RECOVERY SERVICE FEES*:

A. BASIC PROGRAM – REVIEW LEVEL (Bill Audit):

30 % of actual cost recovered each month, for twelve (12) consecutive months.

B. BASIC PLUS PROGRAM – REVIEW LEVEL (Enterprise Strategic Plan/ESP)

30 % if the County elects to commission an Enterprise Strategic Plan (ESP) for the targeted expense category(s) for sixty (60) consecutive months.

***Fees will be paid based on the cost savings/refunds identified by the Contractor and approved by the County.**

- III. PRICE INCREASES/DECREASES:** No price increases will be permitted during the term of this Contract. All price decreases will automatically be extended to the County.
- IV. FIRM DISCOUNT AND PRICING STRUCTURE:** Contractor guarantees that prices quoted are equal to or less than prices quoted to any other local, State or Federal government entity for services of equal or lesser scope. Contractor agrees that no price increases shall be passed along to the County during the term of this Contract not otherwise specified and provided for within this Contract.
- V. INVOICING INSTRUCTIONS:** The Contractor shall submit invoices to County on Contractor's letterhead. Each invoice shall have a unique number and shall include, at minimum, the following information:
- A. Contractor's name and address (as specified in this Contract)
 - B. Contractor's remittance address, if different from (A), above
 - C. Name of County department/contact person
 - D. Contract number (PO, CT or MA Number) must be referenced on all invoices
 - E. Delivery/service address
 - F. Service Date
 - G. Contractor's Tax Identification Number (TIN) or Employer's Identification Number (EIN)
 - H. Description of Services
 - I. Total dollar amount of invoice

The responsibility for providing an acceptable invoice to the County for payment rests with the Contractor. Incomplete or incorrect invoices are not acceptable and Contractor will be required to revise them. The department's County's Project Manager, or designee, is responsible for approval of invoice and subsequent submittal of invoice to the Auditor-Controller for processing of payment.

Contractor has the option of receiving payment directly to their bank account via an Electronic Fund Transfer (EFT) process in lieu of a check payment. Payment made via EFT will also receive Electronic Remittance Advice with the payment details via email. An email address will need to be provided to the County via an EFT Authorization Form. To request a form, please contact the DPA

**ATTACHMENT C
 STAFFING PLAN**

I. KEY PERSONNEL

NAME	CLASSIFICATION TITLE	YEARS OF EXPERIENCE
Fred Armendariz	Chief Executive Officer	8
Todd Main	VP Public Sector Services	6
Christi Deverian	Project Manager/VP Operations/Communications	5
Wes Gard	Client Services Manager/ Document Management Administrator (Printers)	18

Contractor understands that the personnel represented as assigned to the Contract must remain working on the Contract throughout the duration of the Contract unless otherwise requested or approved by the County. Substitution or addition of key personnel in any given category or classification shall be allowed only with prior written approval of the department County Project Manager. *Note: The written approval of substituted Key Personnel is for departmental use only and shall not be used for auditing purposes.*

Contractor may reserve the right to involve Contractor personnel, as services are required, only with County written consent. The specific individuals will be assigned based on the need and timing of the service/classification required by a using County department. Assignment of additional key personnel shall be subject to County Project Manager written approval. *Note: The written approval of additional Key Personnel is for departmental use only and shall not be used for auditing purposes.* County reserves the right to have any personnel removed from providing services to County under this Contract. County is not required to provide any reason for the request to remove a Contractor's personnel and Contractor is required to comply within the time requested.

SUBCONTRACTOR	CONTACT NAME	LICENSES/CERTIFICATION	YEARS OF EXPERIENCE
Utilities	Michael Kerkorian	Certified Measurement & Verification Professional/ Certified Energy Auditor	28
Waste	Sophia Vallozzi	Intentionally Left Blank	21
Treasury	Adam Pflaumier		25
Document Management (copiers)	Ethan Davis		22
Shipping & Logistics	Chad Beville		13
Telecommunications	Matt Denburg		10

**AMENDMENT NUMBER ONE
TO
CONTRACT RCA-017-19010018
FOR
COST RECOVERY AND REDUCTION SERVICES**

THIS Amendment Number One to *RCA-017-19010018*, for Cost Recovery and Reduction Services, (hereinafter referred to as "Contract") is made and entered into as of the date fully executed by and between the County of Orange, a political subdivision of the State of California, (hereinafter referred to as "County") and Procure America, Inc. (hereinafter referred to as "Contractor") with County and Contractor sometimes individually referred to as ("Party"), or collectively referred to as ("Parties").

RECITALS

WHEREAS, County and Contractor entered into Regional Cooperative Agreement (RCA) RCA-017-19010018 for Cost Recovery and Reduction Services, (hereinafter referred to as "Contract"), effective June 25, 2019 through and including June 24, 2024; and,

WHEREAS, County is desirous to amend the Contract to include additional term; Article-22, Survivability, that was inadvertently omitted in the original Contract.

NOW THEREFORE, the Parties mutually agree as follows:

1. Incorporate the following term;

22. **Survivability:** All applicable terms, warranties or service agreements that were entered into between Vendor and Agencies/Departments under the terms and conditions of the Contract shall survive the expiration or termination of the Contract. All Contracts issued and accepted by Vendor shall survive expiration or termination of the Contract.

2. Except as otherwise expressly set forth herein, all terms and conditions contained in the original Contract including its amendments/modifications, are hereby incorporated herein by this reference as if fully set forth herein and shall remain in full force and effect.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the Parties hereto have executed this Contract on the dates following their respective signatures.

PROCURE AMERICA, INC.

By: 

Print Name: FRED ARMENDARIZ

Title: CEO

Date: 1-24-20

By: 

Print Name: FRED ARMENDARIZ

Title: Secretary

Date: 1-24-20

*If the Contractor is a corporation, signatures of two specific corporate officers are required as further set forth. The first corporate officer signature must be one of the following: 1) the Chairman of the Board, 2) the President or 3) any Vice President. The second corporate officer signature must be one of the following: 1) Secretary, 2) Assistant Secretary, 3) Chief Financial Officer or 4) Assistant Treasurer. The signature of one person alone is sufficient to bind a corporation, as long as he or she holds corporate offices in each of the two categories described above. For County purposes, proof of such dual office holding will be satisfied by having the individual sign the instrument twice, each time indicating his or her office that qualifies under the above described provision. In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution demonstrating the legal authority of the signator to bind the corporation.

COUNTY OF ORANGE, a political subdivision of the State of California

By: 

Print Name: Jeff Miller

Title: Deputy Purchasing Agent

Date: 1-24-20

AGENDA ITEM #9A

Date: April 16, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Robert Housley, General Manager

Subject: **A RESOLUTION NO. 2024-08 OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, ESTABLISHING A POLICY APPLICABLE TO DISTRICT DEPOSITS AND INVESTED FUNDS**

BACKGROUND

Annually at a public meeting, the Board of Directors reviews and adopts the Midway City Sanitary District's (District) policy applicable to District Deposits and Investment Funds.

DISCUSSION

This Resolution guides the management of District funds as well as delegating authority and establishes funds consistent with the annual budget. The operations for deposits and invested funds are under the direction of the General Manager and Director of Finance and Human Resources. Annually, if there is any recommended changes to the policy, the change is presented to the Board of Directors for consideration and approval.

The policy is in accordance with California Government Code Section 53630 et seq. and there are no substantive changes to the Policy recommended for the Board's consideration. Although this policy already allows for other investments as designated by the Districts separate Investment Policy, this policy further clarifies the inclusion of the California Cooperative Liquid Assets Securities System, doing business as California CLASS as an investment option.

FISCAL IMPACT

No fiscal impact; provides policy and guidance for Fiscal Year 2024-2025.

STAFF RECOMMENDATION

Staff recommends that the Board of Directors approve Resolution No. 2024-08 establishing Midway City Sanitary District's Policy applicable to District deposits and invested funds as presented.

ATTACHMENTS:

1. Resolution No. 2024-08 Establishing a Policy Applicable to District Deposits and Invested Funds

- 1 (f) Buildings, Equipment, and Facilities Reserve Fund.
- 2 (g) Compressed Natural Gas (CNG) Fueling Station & Facilities Reserve
- 3 Fund.
- 4 (h) Emergency and Contingency Reserve Fund.

5 **Section 2.** District funds may be deposited into one or more accounts of different
6 types, including: (i) restricted accounts, to be restricted in use or application by contract,
7 trust, ordinance or otherwise, (ii) general accounts, the depository of general funds for
8 general purposes of the District, and (iii) payroll accounts, the depository of general funds
9 for the payment of the District's payroll.

10 **Section 3.** Pursuant to Health and Safety Code Section 6801, the District has
11 appointed a member of the Board of Directors to serve as Treasurer. Pursuant to
12 Government Code Section 53607, the District will elect in each annual period by its
13 Resolution Approving a Statement of Investment Policy to either delegate its investment
14 authority for a one-year period to the Treasurer or to reserve all investment authority to
15 the Board of Directors or its designees. When the Treasurer is delegated the investment
16 authority of the District in each annual period, then he or she shall report to the Board of
17 Directors each month the investment and reinvestment of funds authorized by him or her
18 in that period. When the Board has authority, then the General Manager or its designee
19 shall report to the Board of Directors each month the investment and reinvestment of
20 funds in that period.

21 **Section 4.** Pursuant to Government Code Section 53649, the Treasurer of the
22 District is responsible for the safekeeping of the District's money. The deposit, transfer, or
23 withdrawal of District money may be made by joint action of any two (2) of the following
24 four (4) individuals: the Board President, the Treasurer, the General Manager and the
25 Director of Finance and Human Resources. The authority of the Board President, the
26 Treasurer, the General Manager and the Director of Finance and Human Resources shall

1 be limited by the following:

2 (a) The Board President, Treasurer, General Manager and the Director
3 of Finance and Human Resources shall make only those withdrawals of District's money
4 (whether by check, warrant or electronic transfer) as are consistent with the Annual
5 Budget (or any amendments, additions, modifications, or corrections thereto) as approved
6 by the Board of Directors, or

7 (b) The Board President, Treasurer, General Manager, and the Director
8 of Finance and Human Resources shall make only those withdrawals of District's money
9 (whether by check, warrant or electronic transfer) as are authorized pursuant to
10 Resolution No. 2023-01 or any successor resolution adopted by the Board of Directors
11 establishing procedures for the payment of claims and demands, including payroll, and

12 (c) All deposits of funds shall be made in accordance with this
13 Resolution.

14 **Section 5.** The Board of Directors does hereby authorize the deposit and
15 withdrawal of District money (whether assigned to the funds identified in Sections 1 or 2
16 above or otherwise accruing as general funds) in the following entities and institutions:

17 (a) The Local Agency Investment Fund in accordance with the provisions
18 of Government Code Section 16429.1 for the purposes of investment
19 as set forth therein.

20 (b) US Bank or any other financial institution located in Orange County
21 meeting the requirements of Government Code Section 53601 or
22 53630 et seq. for the purposes of deposit and investment as set forth
23 therein.

24 (c) The Investment Trust of California, doing business as CalTrust, in
25 accordance the provisions of Government Code Section 16429.1 for
26 the purposes of investment as set forth therein.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

(d) The California Cooperative Liquid Assets Securities System, doing business as California CLASS in accordance with the provisions of Government Code Section 16429.1 for the purposes of investment as set forth therein.

(e) As otherwise authorized pursuant to the District’s Investment Policy.

Section 6. In addition to Section 4 above, all transfers between accounts may be made by joint action of any two (2) of the following four (4) individuals: the Board President, Treasurer, General Manager and the Director of Finance and Human Resources, without the prior approval of the Board; provided, however, that the General Manager and Director of Finance and Human Resources shall record such transfers and report the same to the Treasurer and the Board at the next regularly scheduled meeting. In no event shall transfers between investment accounts and operational accounts exceed the amount of funds sufficient for the normal operations of the District in accordance with the Annual Budget, unless otherwise specifically approved by the Board of Directors.

Section 7. Pursuant to Government Code Sections 53635 and 53601, the District's investments may include (but are not limited to):

(a) Deposits of no more than \$3 million dollars in negotiable certificates of deposit (including accruing interest), provided however, that in no event shall purchases of certificates of deposit exceed thirty (30%) of the District's surplus money. Certificate of Deposit (or Time Deposits) shall be placed with commercial banks, savings banks, savings and loan associations, or credit unions that are insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA).

(b) Deposits of no more than \$10 million dollars in securities of the U.S. Government or its agencies, fully guaranteed as to payment by the U.S. Government or the agency.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Section 8. The General Manager and the Director of Finance and Human Resources at the direction of the Treasurer shall prepare and present to the Board an annual statement of investment policy as required by Government Code Section 53646. The annual statement of investment policy shall be approved by resolution of the Board, and it shall include the names and signatures of the then current Board President, Treasurer, General Manager and Director of Finance and Human Resources as the persons authorized to deposit, transfer, and withdraw District money.

Section 9. The General Manager, and the Director of Finance and Human Resources shall at the direction of the Treasurer prepare and present to the Board for approval the quarterly reports required by Government Code Section 53646.

Section 10. All other resolutions and minute orders inconsistent with this Resolution are repealed to the extent the same are inconsistent herewith.

PASSED AND ADOPTED, at a regular meeting of the Board of Directors of Midway City Sanitary District of Orange County, California, held this 16th day of April 2024.

Mark Nguyen, President

ATTEST:

Andrew Nguyen, Secretary

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

CERTIFICATION

I, Andrew Nguyen, Secretary of the Midway City Sanitary District of Orange County, California, do hereby certify that the foregoing Resolution No. 2024-08 was duly adopted at a regular meeting of the Board of Directors of said District, held on the 16th day of April 2024, by the following vote of the members of the Board:

AYES:

NOES:

ABSENT:

and I further certify that Mark Nguyen, as President, and Andrew Nguyen as Secretary, signed and approved said Resolution on the 16th Day of April 2024.

Andrew Nguyen, Secretary

(District Seal)

STATE OF CALIFORNIA)
) §§
COUNTY OF ORANGE)

I, Andrew Nguyen, Secretary of Midway City Sanitary District of Orange County, California, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2024-08 passed and adopted by the Board of Directors of said District at a regular meeting thereof held on the 16th Day of April 2024.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official Seal of said District this 16th day of April 2024.

Andrew Nguyen, Secretary

(District Seal)

AGENDA ITEM #9B

Date: April 16, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Robert Housley, General Manager

Subject: A RESOLUTION NO. 2024-09 OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, APPROVING THE ANNUAL STATEMENT OF INVESTMENT POLICY FOR FISCAL YEAR 2024-2025 (JULY 1, 2024 THROUGH JUNE 30, 2025)

BACKGROUND

Annually at a public meeting, the Board of Directors reviews and adopts the Midway City Sanitary District's (District) Investment Policy. The annual adoption of the investment policy and delegation of investment authority are required by Government Code Sections 53607 and 53646.

DISCUSSION

This resolution and the Investment Policy (Exhibit A) guide the management of District funds as well as delegates authority and covers the areas of investment objectives, standards of care, safekeeping and custody, investment parameters and reporting requirements.

The policy is in accordance with California Government Code Section 53607 and 53646 and there are no substantive changes to the Policy recommended for the Board's consideration. Although this Investment Policy already allows for short-term and long-term investments in a joint powers authority (JPA) organized pursuant to Government Code Section 6509.7, this policy provides further clarification and the inclusion of the California Cooperative Liquid Assets Securities System, doing business as California CLASS as an investment option.

FISCAL IMPACT

There is no fiscal impact; provides policy and guidance for Fiscal Year 2024-2025.

STAFF RECOMMENDATION

Staff recommends that the Board of Directors approve Resolution No. 2024-09 establishing the Midway City Sanitary District Investment Policy as Presented.

ATTACHMENTS:

1. Resolution No. 2024-09 Approving the Annual Statement of Investment Policy for Fiscal Year 2024-2025

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

RESOLUTION NO. 2024-09

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MIDWAY CITY SANITARY DISTRICT OF ORANGE
COUNTY, CALIFORNIA, APPROVING THE ANNUAL
STATEMENT OF INVESTMENT POLICY FOR FISCAL YEAR
2024-2025 (JULY 1, 2024 THROUGH JUNE 30, 2025).**

WHEREAS, pursuant to Government Code Section 53630 et seq., all money belonging to the Midway City Sanitary District ("District") shall be deposited for safekeeping in accordance with the provisions of Government Code Section 53635 and may be invested in accordance therewith; and

WHEREAS, pursuant to Government Code Section 53601 the District's Board of Directors may direct the investment of surplus money in its treasury that is not required for the immediate necessities of the District; and

WHEREAS, this Resolution sets forth the District's Investment Policy and provides for compliance with the above referenced Government Code provisions.

WHEREAS, pursuant to Government Code Section 53646, the Board of Directors of the District must consider in each year a Statement of the District's Investment Policy; and

WHEREAS, this Resolution sets forth the election of the Board of Directors of the District to delegate the authority for investment and reinvestment of District funds to the Finance/HR Director with the signatures as authorized by the Board of Directors of the District.

WHEREAS, this Resolution sets forth the names and signatures of the persons authorized to deposit, transfer and withdrawal the moneys of the District in accordance with the District's Investment Policy and applicable law.

NOW, THEREFORE, the Board of Directors of the Midway City Sanitary District does hereby **RESOLVE** as follows:

Section 1: The Statement of Investment Policy stated in Exhibit "A" hereto, and incorporated herein by this reference, is approved for the 2024-2025 Fiscal Year.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Section 2: In accordance with the District's Investment Policy, the officials of the District set forth in Section 3 herein or their successors are authorized for the 2024-2025 Fiscal Year to approve the investment and reinvestment of the District's monies and surplus funds in accordance with Government Code Sections 53635 and 53601.

Section 3: The following Midway City Sanitary District officers or their successors in office shall be authorized to order the deposit, transfer, or withdrawal of money on behalf of the District so long as the same shall be in accordance with the District's approved Investment Policy:

<u>Name and Title of Authorized Signatories</u>	<u>Signatures</u>
Director Serving as President	_____
Director Serving as Treasurer	_____
General Manager	_____
Director of Finance and Human Resources	_____

For any such transaction, any of the two signatories shall be a member of the Board of Directors.

Section 4: If any prior resolution is inconsistent with this Resolution, it is hereby repealed as to any inconsistent part.

PASSED AND ADOPTED, at a regular meeting of the Board of Directors of Midway City Sanitary District of Orange County, California, held this 16th day of April, 2024.

Mark Nguyen, President

ATTEST:

Andrew Nguyen, Secretary

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

CERTIFICATION

I, Andrew Nguyen, Secretary of the Midway City Sanitary District of Orange County, California, do hereby certify that the foregoing Resolution No. 2024-09 was duly adopted at a regular meeting of the Board of Directors of said District, held on this 16th day of April 2024, by the following vote of the members of the Board:

AYES:

NOES:

ABSENT:

and I further certify that Mark Nguyen, as President, and Andrew Nguyen, as Secretary, signed and approved said Resolution on the 16th day of April 2024.

Andrew Nguyen, Secretary

(District Seal)

STATE OF CALIFORNIA)
COUNTY OF ORANGE) §§

I, Andrew Nguyen, Secretary of Midway City Sanitary District of Orange County, California, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2024-09 passed and adopted by the Board of Directors of said District at a regular meeting thereof held on the 16th day of April 2024.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official Seal of said District this 16th day of April 2024.

Andrew Nguyen, Secretary

(District Seal)

1 EXHIBIT "A"

2 MIDWAY CITY SANITARY DISTRICT
3 STATEMENT OF INVESTMENT POLICY

4 FISCAL YEAR 2024-2025 (July 1, 2024 through June 30, 2025)

5 **A. PURPOSE**

6 This statement of investment policy is provided for the following purposes:

- 7 1. To report the principles applicable to the prudent investment of all District
- 8 monies available for deposit or investment as surplus funds.
- 9 2. To provide a clear understanding to the Board of Directors, the Board
- 10 President, the Treasurer, the General Manager and Director of Finance and
- 11 Human Resources (as the District's responsible employees under Resolution
- 12 2024-08) and to third parties (whether investment advisors or otherwise), as
- to the objectives and policies of the District applicable to the investment of its
- money.
- 3. To establish a basis for evaluating investment results.

13 **B. TERM**

14 This statement is applicable to investments made in the fiscal year 2024/2025, and it shall
15 be revised as appropriate and presented to the Board on an annual basis.

16 **C. SCOPE**

17 This statement applies to the general funds of the District necessary for day-to-day
18 operations, which are generally kept in accounts that are available to be drawn upon on an
as needed basis. This statement also applies to the surplus money of the District that is
available for investment.

19 **D. STANDARD OF CARE**

20 The District shall operate with a cash management system that is sufficient to allow the
21 General Manager and the Director of Finance and Human Resources to monitor and
22 forecast accurately the expenditures and revenues of the District. The District's
23 investments shall be selected and maintained in accordance with the prudent investor
24 standard, which means that the District's Board President, its Treasurer, its General
25 Manager, its Director of Finance and Human Resources, and all of the Board of Directors of
26 the District, when participating in investment decisions on behalf of the District, are
27 considered trustees having a fiduciary relationship to the public. This duty shall mean:

28 When investing, reinvesting, purchasing, acquiring, exchanging, selling, or
managing public funds, the trustee shall act with care, skill, prudence, and
diligence under the circumstances then prevailing, including, but not limited
to, the general economic conditions and the anticipated needs of the agency,
that a prudent person acting in a like capacity and familiarity with those
matters would use in the conduct of funds of a like character and with like
aims, to safeguard the principal and maintain the liquidity needs of the
agency.

1 See, Government Code Section 53600.3.

2 The Standard of Care should be viewed in the context of overall management of the
3 District's money, and it shall be the policy of the District to view investments made in
4 accordance with this policy and under applicable law as exercised with reasonable care;
5 accordingly, the Board President, the Treasurer, the General Manager and the Director of
6 Finance and Human Resources shall be relieved of personal responsibility for investments
7 that deviate from all reasonable expectations if the same are reported in a timely fashion to
8 the Board and appropriate corrective action is taken to control adverse developments.

6 **E. ETHICS AND CONFLICTS OF INTEREST:**

7 The Board of Directors, the Treasurer, the General Manager, and the Director of Finance
8 and Human Resources, as involved in the investment process, shall refrain from personal
9 business activities that could conflict with proper execution of the District's investment
10 program, or which could impair their ability to make impartial investment decisions.

9 **F. OBJECTIVES**

10 The primary objective of the District's cash management system is to meet the operating
11 expenses and capital requirements of the District first and foremost, and second to provide
12 excess funds for investment to the fullest extent possible. The primary objectives for the
13 investment program are, in priority order:

- 13 1. To Safely Preserve Capital
- 14 2. To Provide Liquidity
- 15 3. To Earn a Reasonable Rate of Return Commensurate with Safety and
16 Liquidity

16 To accomplish the safety objective, all deposits and investments of the District shall comply
17 with the limitations on deposits and investments imposed by Government Code Sections
18 53601 and 53630 et seq., including but not limited to all diversification or percentage
19 investment restrictions.

19 To accomplish the liquidity objective, the District's Board President, Treasurer, General
20 Manager and Director of Finance and Human Resources shall determine no less frequently
21 than quarterly the amount of money recommended to be held by the District in liquid or
22 readily available investments. Acceptable liquid investments include, subject only to
23 limitations of applicable law:

- 22 1. Checking and Savings Accounts, whether interest bearing or otherwise to be
23 established at US Bank or any other financial institution located in Orange
24 County and meeting the requirements of Government Code Section 53601 or
25 53630 et seq. for the purposes of deposit or investment.
- 25 2. Interest Bearing Fund Deposits into the State Local Agency Investment Fund
26 (LAIF), and US Bank.
- 26 3. Short-term certificates of deposit 90 days to maturity provided that not more
27 than 30% of District's surplus funds are placed on deposit pursuant to
28 Government Code Section 53601.

- 1 4. Shares of beneficial interest issued by a joint powers authority organized
2 pursuant to Government Code Section 6509.7, including but not limited to the
3 Investment Trust of California, doing business as CalTrust or the California
4 Cooperative Liquid Assets Securities System, doing business as California
5 CLASS.

6 To accomplish the reasonable rate of return objective, the District's Board President,
7 Treasurer, General Manager and Director of Finance and Human Resources shall
8 determine no less frequently than quarterly the amount of money recommended to be held
9 by the District in inactive or long-term investments. Acceptable inactive (investments
10 unavailable without 30 days or more notice) or long-term investments include, subject only
11 to limitations of applicable law:

- 12 1. Certificates of deposit having a maturity date no greater than one year from
13 the date of purchase, provided that not more than 30% of the District's
14 surplus funds are placed on deposit, pursuant to Government Code Section
15 53601.
- 16 2. Securities of the U.S. Government or its agencies fully guaranteed as to
17 payment by the U.S. Government or the agency.
- 18 3. Shares of beneficial interest issued by a joint powers authority organized
19 pursuant to Government Code Section 6509.7, including but not limited to the
20 Investment Trust of California, doing business as CalTrust or the California
21 Cooperative Liquid Assets Securities System, doing business as California
22 CLASS.

23 **G. ADVISORS**

24 The Board of Directors may engage the services of one or more registered investment
25 advisors to assist the Board President, Treasurer, General Manager and Director of
26 Finance and Human Resources in the management of the District's investments. Such
27 advisors are expected to act in accordance with this statement of policy and shall be
28 familiar with investment laws applicable to public agencies. Further, any external
investment advisor shall be registered under the Investment Advisors Act of 1940, or shall
be exempt from such registration.

The District has established an annual process of independent review by an external
auditor. The objective of the review is to provide internal control by assuring compliance
with policies and procedures.

29 **H. REPORTING**

30 No less frequently than monthly, the Treasurer shall report to the Board of Directors the
31 investment and reinvestment of funds authorized by the Treasurer in that period.

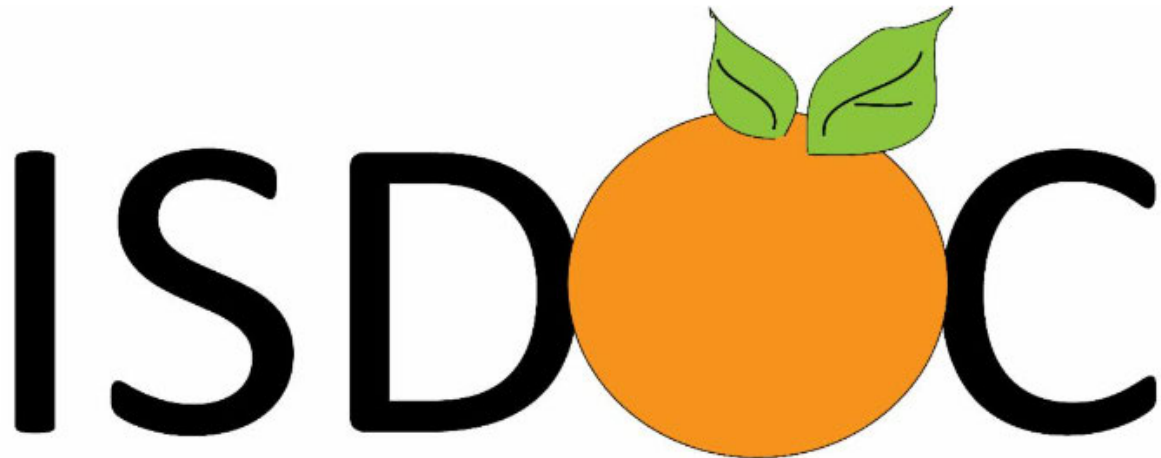
32 No less frequently than quarterly, the General Manager and the Director of Finance and
33 Human Resources, at the direction of the Treasurer, shall present to the Board of Directors
34 a report stating:

- 35 1. The types of investments currently held by the District.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

- 2. The issuers, dates of maturity, and par and dollar amount of all investments.
- 3. Descriptions of any money invested in programs managed by contract parties.
- 4. Current market value of any securities managed by outside parties.
- 5. Status of compliance with the investment policy.
- 6. Statement of ability to meet expenditure requirements for the next six months.
- 7. If investments are held in the State LAIF, CalTrust, California CLASS, or in FDIC or NCUA insured accounts or county investment pools, then the most recent statements received by the District from these institutions may be provided in lieu of items 1 through 4 above.

See, Government Code Section 53646.



Independent Special Districts of Orange County

Apr 25


ISDOC Quarterly Luncheon - April 25, 2024

You are cordially invited to our next Quarterly Luncheon Meeting of the Independent Special Districts of Orange County (ISDOC) on Thursday, April 25, 2024 from 11:30 a.m. - 1:00 p.m.

Unlocking Knowledge: Exploring the Treasures of Your Local Libraries

Join us where Jeanette Contreras, Library Director from the Placentia Library District and Helen Medina, Library Director from the Buena Park Library District take us on an enlightening journey through the vast repository of knowledge housed at your local public libraries. We will delve into the myriad of resources and services that libraries across Orange County offer, showcasing how they serve as gateways to information, learning, and exploration. From rare manuscripts to cutting-edge digital collections, discover how libraries enrich lives, foster curiosity, and empower individuals and communities. If you're curious about the world of knowledge and want to explore your local libraries, this presentation promises to inspire and inform. Unlock the doors to endless possibilities with us as we celebrate the wonders of our libraries during National Library Month.

 MWDOC/OCWD Joint Boardroom
18700 Ward Street, Fountain Valley, CA 92708
[View on map](#)

 Apr 25, 2024 11:30am - Apr 25, 2024 01:00pm
Add to [Google](#) · [Outlook](#) · [Yahoo](#)

[Register](#)

Registration Price:

\$30.00