

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

**December 17, 2013**

**CALL TO ORDER**

President Cobo called the regular meeting of the Governing Board of the Midway City Sanitary District to order at 14451 Cedarwood Avenue, Westminster, California on Tuesday, December 17, 2013 at 4:00 P.M.

**BOARD MEMBERS PRESENT:**

Al P. Krippner  
Joy L. Neugebauer  
Frank Cobo  
Margie L. Rice  
Tyler Diep

**OTHERS AT MEETING:**

Ken Robbins, General Manager  
Robert Housley, Finance/HR Director  
Tom Nixon, District Counsel  
Danielle Gerardo, Board Secretary  
Greg Davis, Boerner Truck Center

**PLEDGE AND INVOCATION**

Director Krippner led the Pledge of Allegiance. Director Neugebauer gave the Invocation.

**PUBLIC COMMENTS**

Mr. Greg Davis from Boerner Truck Center thanked the Board for the opportunity to present a bid for a compressed natural gas solid waste truck for consideration at tonight's meeting.

**APPROVAL OF THE MINUTES OF THE MEETING OF DECEMBER 3, 2013**

A motion was made by Director Diep, seconded by Director Neugebauer to approve the minutes of the meeting of December 3, 2013. The motion was approved by a 5-0 vote.

## APPROVAL OF THE MINUTES OF THE ADJOURNED MEETING OF DECEMBER 6, 2013

A motion was made by Director Neugebauer, seconded by Director Rice to approve the minutes of the meeting of December 6, 2013. The motion was approved by a 5-0 vote.

### APPROVAL OF EXPENDITURES

#### A. Demands in the amount of \$ 868,224.89

#	CK #	Date	AMOUNT	VENDOR
1				<b>HANDCUT CHECKS:</b>
2	6494	12/2	46,165.04	<b>CalPERS Health Premium</b> - Healthcare Premium for December 2013
3	6495	12/2	820.74	<b>The Standard Life Insurance</b> - Premium Coverage for December 2013
4	6496	12/2	1,103.59	<b>Michael LaFreniere</b> - Special Request Payout of Comp Time
5	6497	12/4	1,250.00	<b>Crystal Rose Catering</b> - Balance Due for Holiday Dinner December 8, 2013
6	6498	12/5	325.26	<b>AT&amp;T Mobility</b> - Service for November 2013: (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606,
7				Sewer 714-310-8654, Emergency 714-310-9004.
8	6499	12/5	3,667.18	<b>MetLife</b> - Monthly Dental Premium for December 2013
9	6500	12/5	312.78	<b>First Bankcard (NC)</b> - Restock District Kitchen Supplies
10	6501	12/5	972.28	<b>Verizon California</b> - District Office Phones & Lift Stations for November 2013; \$521.59 District Office,
11				\$150.23 Willow Lift, \$150.23 Westminster Lift, \$150.23 Hammon Lift.
12	6502	12/11	94.99	<b>DirectTV</b> - Service for December 2013
13	6503	12/11	137.05	<b>Huntington Beach Ford</b> - Replacement check for Lost check #6279, dated 09/02/2013
14	6504	12/11	454.15	<b>Office Max</b> - Restock District Office Supplies for November 2013
15	6505	12/11	1,950.00	<b>Safety Research Consultants</b> - Replacement check for Lost check #6418, dated 11/01/2013
16				
17			<b>57,253.06</b>	<b>SUBTOTAL</b>
18				
19				<b>REGULAR CHECKS:</b>
20	6506	12/11	186.83	<b>Advanced Gas Products</b> - Restock (16) Gallons Liquid Propane, Cylinder Rental for November 2013
21	6507	12/11	50,000.00	<b>CalPERS Fiscal Services Division</b> - FY 2013-14 GASB 45 OPEB Contribution
22	6508	12/11	500,000.00	<b>CalPERS Fiscal Services Division</b> - Payment Towards OPEB Unfunded Accrued Benefit Liability (UAL)
23	6509	12/11	75.00	<b>City of Westminster FARP</b> - False Alarm Fine from 11/02/2013
24	6510	12/11	737.00	<b>Computer Research Center</b> - Maintenance & Support for January 2014
25	6511	12/11	664.37	<b>Cummins Cal Pacific, LLC</b> - (6) Tube Injectors & (4) Seals for T60
26	6512	12/11	112.58	<b>D J Printing</b> - (2000) Envelopes with District Logo for Restock
27	6513	12/11	3,725.07	<b>Daniels Tire Service</b> - (2) New Tires & (15) Recaps for Restock
28	6514	12/11	276.66	<b>G &amp; K Services</b> - Uniform Services for November & December 2013
29	6515	12/11	65.20	<b>Hillco Fastener Warehouse</b> - (300) Wire Ties & (35) Terminal Seals for Restock
30	6516	12/11	2,655.98	<b>Los Alamitos Napa Auto Parts</b> - (4) Brake Drums, (4) Brake Shoes, (30) Feet Hosing, (20) Hose Ends, (18)
31				Replacement Bulbs, & (4) Oil Filters for Restock.
32	6517	12/11	1,228.26	<b>Los Angeles Freightliner</b> - (2) Sensors for T60 & T61, (1) Pass-Thru for M64

33	6518	12/11	693.85	<b>North American Safety</b> - (60) Embroidered Caps & (8) Embroidered Polo Shirts for District Board &
34				Employees Celebrating District's 75th Anniversary
35	6519	12/11	4,138.20	<b>Orange County Sanitation District</b> - Permit Fees for November 2013 (MCSD 5% = \$217.80)
36	6520	12/11	117,992.88	<b>Rainbow Transfer Recycling</b> - Tonnage for November 2013
37	6521	12/11	291.60	<b>Reyes Alternators</b> - (1) New Starter for Restock
38	6522	12/11	1,140.49	<b>Rutan &amp; Tucker, LLP</b> - Legal Services for November 2013
39	6523	12/11	22,102.00	<b>SDRMA</b> - Workers' Compensation Payment for 3rd Quarter (January 2013 - March 2014) FY 2013-14
40	6524	12/11	6.00	<b>Underground Service Alert</b> - (4) New Tickets for November 2013
41	6525	12/11	594.50	<b>Wespac Security Services</b> - Burglar & Fire Alarm Services for October through December 2013; Fire Alarm
42				Testing on 08/27/2013; Replacement CPU Battery.
43				
44			<b>763,939.53</b>	<b>SUBTOTAL (BOTH HAND-CUTS &amp; REGULAR CHECKS)</b>
45				
46				<b>PAYROLL</b>
47		12/10	102,123.44	Payroll - Staff Check # 15577 - 15580 Taxes & Direct Deposits
48		12/10	1,210.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
49		12/10	951.92	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
52			<b>868,224.89</b>	<b>TOTAL EXPENDITURES W/PAYROLL</b>
				<b>BANK TRANSFERS</b>
		12/5	500,000.00	Transfer Funds from Money Market to Checking Account
		12/11	1,000,000.00	Transfer Funds from Money Market to Checking Account

A motion was made by Director Neugebauer, seconded by Director Diep to approve the expenditures in the amount of \$868,224.89. The motion was approved by a 5-0 vote.

## REPORTS

### Report of President

None

### Report of General Manager

GM Robbins reported that the District has filed for a grant from the Department of Conservation in the amount of \$23,732. If awarded, the grant will cover District outreach expenses for several items including the annual calendars.

The County of Orange is having a difficult time obtaining easement deeds from property owners for the storm drain improvements and sewer relocation project on Hazard Avenue. The District owns and controls the sewer line but there were never any quitclaim deeds done for the easements that the District owns on the opposite side of the street. GM Robbins is looking into how to transfer the easements to the north side instead of the south side of Hazard Avenue and will keep the Board posted.

Director Neugebauer asked GM Robbins to explain the history of the area in question.

GM Robbins explained that several years ago, the Orange County Flood Control wanted to widen their channel. There is one box on the far south lane and next to that box are two 60" storm drain pipes that the City of Westminster built on Hazard between Beach Boulevard and Hoover Street. The District's sewer line had to be relocated to the far north side next to the water main, along with the other utilities such as gas mains. The District has an agreement that states that the City of Westminster cannot make the District relocate the sewer line, and if it becomes necessary to do so, it will not be at the District's cost. GM Robbins stated that it is always preferable to have the deeds and when acquired, the new quitclaim deeds will require Board action.

GM Robbins asked that Board members please inform staff as to whether they intend to go to either of the upcoming California Association of Sanitation Agencies (CASA) conferences so that arrangements could be made.

GM Robbins reported that Flo Systems had to be called out today because all the check valves were ragging up and forcing the valves to stay open at the Willow and Brookhurst lift stations. Anything other than toilet paper causes problems in the sewers, does not break down and ends up causing costly problems. These locations will be monitored but if this problem persists the check valves may need to be upgraded.

Directors Neugebauer and Rice suggested adding information to the website that will inform residents that nothing but the three P's should be flushed down the drain – pee, poop, and toilet paper.

### **Report from Orange County Sanitation District Meeting (OCSD)**

Director Diep reported that he attended an Administration Committee meeting on Wednesday, December 11, 2013. There was discussion and preparation for the upcoming labor negotiations in June of 2014, which is when several current contracts expire. The committee selected Director Diep and two other Directors to sit on an Adhoc Committee with staff in order to interview and then recommend a law firm to handle the labor negotiations. A contract cost of \$28,000 will be awarded in order to cover those legal costs.

### **Report from City of Westminster Oversight Board**

Director Rice reported that she attended the Oversight Board meeting along with GM Robbins. There was discussion regarding the parking structure building which was built with RDA funds. Staff from the City of Westminster have met with the State of California several times and are working with them to resolve issues. There was also discussion regarding properties purchased and controlled by the City of Westminster from RDA funds. The State of California is also working to decide if the City of Westminster had authority to transfer those properties to the City and if they will be allowed to keep them.

Director Neugebauer asked if there would be a positive or negative financial impact on the District.

Director Rice stated that she would ask that question at the next meeting, although she did not think there would be any negative impact on the District, and that, in fact, the District has seen a financial boost due to redevelopment funds being returned.

Director Neugebauer asked if the Oversight Committee was separate and removed from the City of Westminster's lawsuit with the State of California over redevelopment.

Director Rice confirmed that it was completely separate.

### **Report from Midway City Sanitary District 75 Year Anniversary Committee Meeting**

Director Rice reported that she and Director Neugebauer met with GM Robbins on Monday, December 16, 2013. They decided that staff should be provided with polo shirts to wear for the District's 75 year anniversary celebrations.

Director Neugebauer reported that she requested the newsletter from the 50 year anniversary be printed and passed out so that people could see the growth, change in size and costs, and improvements made over the last 25 years. The committee discussed and chose Jay's Catering to provide the food for the Chamber event on January 30, 2014. Invitations and food for the April open house were discussed, as well as signs to go on the side gates, updating the Board of Directors' business cards to reflect the 75 year anniversary of the District and badges to wear at the event. Director Neugebauer commended GM Robbins for putting together a notebook with a timeline and pictures of the District that will be available at the events. Civic organizations such as the Senior Center decorated some of the blue recycle carts and they will be judged and prizes will be given out.

### **CONSENT CALENDAR**

A. Investment Report for November 2013

B. Approve Annual Vacation Pay in Lieu of Time off Requests

A motion was made by Director Rice, seconded by Director Diep to approve the consent calendar. The motion was approved by a 5-0 vote.

## **OLD BUSINESS**

A. Consider a Date for a Study Session to Review the District's New Purchasing Policy

A motion was made by Director Neugebauer, seconded by Director Diep to schedule a study session to review the District's new purchasing policy on Thursday, February 13, 2014 at 4 P.M. The motion was approved by a 5-0 vote.

## **NEW BUSINESS**

A. Open Sealed Bids for New 30-Yard Automated Side Loader, Cab-Over Compressed Natural Gas Solid Waste Collection Trucks

GM Robbins opened the four sealed bids and read the amounts for a single CNG truck for the Board. Crane Carrier from Boerner Truck Center in Huntington Park came in at \$315,255.60, Peterbilt from Rush Truck Center in Pico Rivera came in at \$303,823.83, Mack from Tec Equipment in La Mirada came in at \$275,346.00 and Autocar from Los Angeles Freightliner in Whittier came in at \$316,169.94. Each truck center will be visited to assess accessibility for repairs and to test drive each model prior to making a recommendation to the Board.

Director Neugebauer stated that she feels very strongly that the District should consider two different trucks from two different companies instead of two from the same company.

A motion was made by Director Neugebauer, seconded by Director Diep to approve of staff's recommendation and direct staff to bring back recommendations for the Board to consider at the first or second meeting in January. The motion was approved by a 5-0 vote.

B. Discussion and Consideration to Repower Solid Waste Truck #T65 from Diesel Power to Compressed Natural Gas (CNG)

GM Robbins reported that, as directed by the Board, staff received an estimate of costs to repower solid waste truck #T65, which is a 2008 and the newest in the fleet, which came to a total of approximately \$350,368.24, and is higher than the cost of a brand new vehicle.

Mr. Greg Davis from Boerner Truck Center provided information to the Board regarding the costs to repower a solid waste diesel truck to compressed natural gas and the placement of the fuel tank.

A motion was made by Director Neugebauer, seconded by Director Diep to receive and file the information. The motion was approved by a 5-0 vote.

### C. Consider Adoption of 2013 Midway City Sanitary District Strategic Plan

A motion was made by Director Diep, seconded by Director Rice to approve adoption of the District's 2013 strategic plan, with changes. The motion was approved by a 5-0 vote.

### D. Consider Press Release Regarding Midway City Sanitary District's Christmas Tree Recycling Program

A motion was made by Director Neugebauer, seconded by Director Rice to approve the press release, with a suggested change. The motion was approved by a 5-0 vote.

### E. Consider a Westminster Chamber of Commerce Public Service Award Recipient

Director Neugebauer stated that she wanted to nominate Margie Rice because she has served on the Midway City Sanitary District Board of Directors for 24 years, and came prepared to every meeting regardless of her many other obligations.

A motion was made by Director Neugebauer, seconded by President Cobo to nominate Director Margie Rice for the Westminster Chamber of Commerce Public Service Award. The motion was approved by a 4-0-1 vote, with Director Rice abstaining.

### F. Consider Claim against Midway City Sanitary District from Mary T. Marsh

A motion was made by Director Diep, seconded by Director Rice to deny the claim from Mary T. Marsh against the District. The motion was approved by a 5-0 vote.

## **INFORMATIONAL ITEMS**

### A. Web Site Activity for the Month of November 2013 (42,723 Successful Hits)

A motion was made by Director Neugebauer, seconded by Director Rice to receive and file. The motion was approved by a 5-0 vote.

## **BOARD CONCERNS/COMMENTS**

Director Neugebauer suggested that a holiday card be sent from the District next year and Director Rice asked that staff agendize that suggestion for Board consideration.

Director Neugebauer stated that, regarding the grant that GM Robbins reported on earlier, the Board should know about grants prior to applying for them in the future, and to consider having that as a part of the purchasing policy.

Director Neugebauer asked what time she should arrive at the District in order to carpool to the Rainbow Environmental Holiday event on Thursday, December 19, 2013. GM Robbins stated that he would be available at whatever time the Board chose to go. It was decided that if anyone wanted to carpool, that they be at the District at 12 noon on Thursday.

Director Neugebauer thanked staff for all the hard work over the past year and wished everyone a very happy holiday.

President Cobo thanked everyone for all of his gifts, for all the hard work over the past year and wished everyone a happy holiday as well.

### **GM/STAFF CONCERNS/COMMENTS**

GM Robbins stated that the case of CR&R versus Rainbow Environmental is in regards to accounting procedures that Rainbow was to have put into place on March 31, 2012, and has still not implemented, and there is a difference of opinion regarding auditors and the procedures to utilize them. GM Robbins let both parties know that he was only interested in how this was going to affect the District. Both sides stated that the District's service and franchise fees would not be affected by the lawsuit. GM Robbins stated staff would keep a close eye on the lawsuit and that there may be a need for a closed session in the future and asked the Board to allow him to give a copy of the lawsuit to legal counsel to review.

Director Neugebauer stated that the Board should review the documents prior to giving them to legal counsel.

GM Robbins stated that he would provide each Board member with a copy of the lawsuit.

GM Robbins made the Board aware that Ocean View School District is suing Rainbow Environmental because the nearby schools are complaining about fumes, odors and an elevated level of illnesses in the children and teachers at Oak View Elementary School, which is directly across the street from Rainbow, and Ocean View High School which is nearby.

Finance/HR Director Housley stated that the Rule Group would be coming in to speak with District employees about the new vision insurance program at 7 A.M. on Wednesday, December 18, 2013 and stated that District employees are extremely grateful for the added benefit.



## **GENERAL COUNSEL CONCERNS/COMMENTS**

General Counsel Nixon stated that there may be basis for closed session regarding the lawsuits if it is found that the District should intervene in the litigation between CR&R and Rainbow Environmental, and stated that he would keep the Board notified.

General Counsel Nixon stated that there is new legislation that affects the District regarding clearly stated votes by the Board in and the manner in which they are noted in the minutes.

Director Krippner asked that this be agendaized for the next meeting for the Board to discuss and consider.

## **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.

## **ADJOURNMENT**

President Cobo adjourned the meeting to Tuesday, January 7, 2014 at 4 P.M. at the District office at approximately 5:46 P.M.

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Al Krippner, Secretary