

**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**

July 15, 2014

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, July 15, 2014 at 5:30 P.M.

BOARD MEMBERS PRESENT:

Al P. Krippner
Joy L. Neugebauer
Tyler Diep (*arrived @ 5:34 P.M.*)
Margie L. Rice
Frank Cobo

OTHERS AT MEETING:

Ken Robbins, General Manager
Robert Housley, Finance/HR Director
Tom Nixon, General Counsel
Danielle Gerardo, Board Secretary
Andrew Taylor, Security Guard
Eileen Perez, V.P. MUFG Union Bank
Tommy Le, V.P. Union Bank

PLEDGE AND INVOCATION

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

PUBLIC COMMENTS

None

APPROVAL OF THE MINUTES OF THE MEETING OF JULY 1, 2014

A motion was made by Director Rice, seconded by Director Neugebauer to approve the minutes of the meeting of July 1, 2014, with a change. The motion was approved by the following 4-0-0-1 vote:

AYES: Cobo, Krippner, Neugebauer, Rice
 NAYS:
 ABSTAIN:
 ABSENT: Diep

APPROVAL OF THE MINUTES OF THE ADJOURNED MEETING OF JULY 10, 2014

A motion was made by Director Neugebauer, seconded by Director Rice to approve the minutes of the meeting of July 10, 2014. The motion was approved by the following 4-0-1-0 vote:

AYES: Cobo, Krippner, Neugebauer, Rice
 NAYS:
 ABSTAIN: Diep
 ABSENT:

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 659,949.95

#	CK #	Date	AMOUNT	VENDOR
1				HANDCUT CHECKS:
2	6966	7/1	284.05	Pitney Bowes - Lease Payment for Postage Machine July through October 2014
3	6967	7/1	2,610.31	Southern California Edison - Archives & Parking Garage \$46.07, District Office \$650.70,
4				Maintenance Shop \$285.95, Brookhurst Lift Station \$177.48, Westminster Lift Station \$415.79,
5				Willow Lift Station \$359.53, Hammon Lift Station \$674.79.
6	6968	7/1	240.79	First Bankcard (NC) - Restock District Kitchen & Cleaning Supplies
7	6969	7/1	3,209.26	US Bank - (\$2,454.07 KR) 05/26 Board Meeting Refreshments; CSDA Sacramento Hyatt Hotel 05/19-05/21
8				(JN, MR, KR); GM Meals for Santa Barbara Wastewater Tech. Forum 06/05-06/06/2014; Wastewater
9				Tech. Forum Santa Barbara DoubleTree Resort 06/05-06/06/2014 (AK, KR, NC); Meeting with CMSD
10				General Manager 06/10/2014; Westminster Chamber of Commerce - Voice of the Business Community
11				Lunch 06/26/2014 (FC, MR, TD, JN, AK, KR); Wiarcom Monthly Service JUN-2014. (\$139.98 DGe) Board
12				Meeting Refreshments for 06/03, 06/10, 06/17. (\$80.09 NC) Restock Refuse Maintenance Supplies,
13				(\$54.70 DGr) Restock Sewer Maintenance Supplies. (\$480.42 RH) Orange County Register MAY-2014;
14				Remington Monthly Service JUN-2014; Replacement Emergency Sewer Phone #2; City of Westminster -
15				Water 04/16-06/10/2014 - Maint. Shop, District Office, Wash Rack; City of Westminster - Water 03/12-
16				05/06/2014 - Westminster Lift Station.
17	6970	7/1	991.45	Verizon California - District Office Phones & Lift Stations for June 2014; \$532.93 District Office,
18				\$152.84 Willow Lift, \$152.84 Westminster Lift, \$152.84 Hammon Lift.
19	6971	7/8	228,414.00	CalPERS Fiscal Services - Prepay Employee Retirement Contributions for FY 2014-2015
20	6972	7/8	182,263.50	IMW Industries, Inc. - 30% Deposit for CNG Fuelling Station Equipment
21	6973	7/8	4,000.00	Theresa Kaszyk - 50% Deposit for Website Design for District
22	6974	7/9	327.84	AT&T Mobility - Service for June 2014: (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606,
23				Sewer 714-310-8654, Emergency 714-310-9004.
24	6975	7/9	13.78	City of Westminster - Hammon Lift Station Water Usage for 05/07-07/01/2014

25	6976	7/9	105.98	DirectV - Service for July 2014
26			422,460.96	HANDCUT CHECKS SUBTOTAL
27				
28				REGULAR CHECKS:
29	6977	7/9	60.00	Advanced Gas Products - Cylinder Rental for June 2014
30	6978	7/9	91.00	Advanced Workplace Strategies, Inc. - D.O.T. Drug Tests (CR, DS)
31	6979	7/9	2,242.50	American Shield Private Security, Inc. - Services Rendered 06/16-06/30/2014
32	6980	7/9	474.42	Bodyworks Equipment, Inc. - Restock (2) Inductive Switches & (4) Pressure Switches for Shop
33	6981	7/9	205.78	Color Wheels Custom Paint - Repair on T9 Incident 06/16/2014
34	6982	7/9	737.00	Computer Research Center - Maintenance & Support for August 2014
35	6983	7/9	17,587.36	County of Orange - Allocation of FY 2014-2015 LAFCO Costs
36	6984	7/9	18,363.64	CR Transfer - Tonnage for June 2014
37	6985	7/9	283.26	G & K Services - Uniform Services for June & July 2014
38	6986	7/9	2,753.14	Greenberg Farrow Architecture, Inc. - Engineering Services for CNG Fueling Station
39	6987	7/9	230.00	Hedman - Annual Service Agreement for District Check Signature Machine
40	6988	7/9	26.11	Hose Man, Inc. - Restock (4) Fittings, (9) Nipples, (120) O-Rings for Shop
41	6989	7/9	15,540.10	Orange County Sanitation District - Permit Fees for June 2014 (MCSD 5% = \$817.90)
42	6990	7/9	14,154.58	Performance Pipeline Technologies - Sewer Cleaning & CCTV Inspection Progressive Payment
43	6991	7/9	37.70	Petty Cash Ken Robbins - [\$6.44] (4) Sharpie Markers for District Poster; [\$31.26] Donuts for Driver Training Meetings 04/30, 05/09 & 06/18/2014.
44				
45	6992	7/9	103,539.12	Rainbow Transfer Recycling, Inc. - Tonnage for June 2014
46	6993	7/9	1,429.45	Ray Gaskin Service - Restock (1) Packer Seal Kit, (1) Packer Rod + Eye, (1) Bearing, (1) Grip Seal Kit, (2) Dump Seal Kit, (1) Dump Rod; Repair (1) Packer Cylinder, (1) Grip Cylinder, (2) Dump Cylinders.
47				
48	6994	7/9	186.40	Reyes Alternators - (1) New Alternator for T9
49	6995	7/9	53.80	TEC of California - (4) Insulators for T57
50	6996	7/9	506.80	Tell Steel - (3) 48" x 96" Steel Plates for Restock
51	6997	7/9	19.50	Underground Service Alert - (13) New Tickets for June 2014
52			\$ 178,521.66	REGULAR CHECKS SUBTOTAL
53				
54				PAYROLL
55		7/8	57,167.33	Payroll - Staff Check # 15659 - 15660 Taxes & Direct Deposits
56		7/8	1,325.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
57		7/8	475.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
58			\$ 58,967.33	PAYROLL SUBTOTAL
59				
60			\$ 659,949.95	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL)
61				

A motion was made by Director Neugebauer, seconded by Director Diep to approve the expenditures in the amount of \$ 659,949.95. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer, Rice

NAYS:

ABSTAIN:

ABSENT:

REPORTS

Report of President

None

Report of General Manager

GM Robbins reported that, per the Board's direction, he followed up on the lawsuit between the City of Westminster and the State of California's Department of Finance. A judge is still in the process of reviewing all the stipulations between the petitioners and the real parties of interest, the largest being the Orange County Water District, and the results of the audit should be coming out soon.

GM Robbins stated that a new driver has been hired by the District and will start working once his background check and physical have been completed. GM Robbins complimented the District's drivers because they have been working extra hard for the last six months with very little overtime due to the shortage and believes they will be relieved to have another person to assist with the routes.

Director Neugebauer asked if the District was still using the one part time employee.

GM Robbins stated that he has not worked for several months, but is still available to work.

Director Rice asked if he would need to be retrained to drive the Districts new CNG trucks.

GM Robbins stated that they are the same and that he would not need training and that the biggest difference would be the major reduction in noise, which will cause a lot of calls to the District with requests to return to residences since a large number of people wait until they hear the trucks to put their cans out for pickup.

Report from Orange County Sanitation District Meeting (OCSD)

Director Diep reported that he attended the Wednesday, July 9, 2014 Administration Committee meeting. The Board was notified that Standard and Poor gave OCSD another year of AAA bond rating, which will help to attain a lower interest rate when financing capital improvement projects. The Committee voted to recommend to the full Board of Directors to use \$125 million in reserve to pay down the unfunded liabilities with the Orange County Employees Retirement System (OCERS) which will save approximately \$6 million annually and will be put toward bond debt.

Director Diep reported that he also attended the Legislative Public Affairs Special Committee meeting on Monday, July 14, 2014 where they voted to continue OCSD's lobbying services from Townsend Public Affairs for \$7,500 per month at the State level and at the Federal level, Lobbyist Eric Sapperstein has been retained for the period of July

1-December 31, 2014 at a cost of \$5,500 a month. After that period, OCSD will issue an RFP and invite other bids.

Report from the Calendar Committee Meeting

Directors Neugebauer and Rice reported that next year's calendar will put a major emphasis on "What Not to Flush" since the baby wipes causing problems in the sewers have become such an important issue and the three R's – Reduce, Reuse and Recycle. Several other recommendations for change were made to further educate the public with regard to recycling and to make the calendar more helpful to everyone who receives one.

CONSENT CALENDAR

A. Investment Report for June 2014

B. Consider Attendance at the California Special Districts Association (CSDA) Annual Conference in Palm Springs, CA September 29-October 2, 2014

Director Neugebauer stated that she wanted to stress the importance of the Board's attendance at the conferences because of the information gained which helps them operate the District in a fashion that has garnered the District a reputation for transparency, efficiency and the lowest rates. She stated this for the record because in today's Orange County Register, there was an article which read that the District had only two items on the agenda, attendance to the conference and signage on District trucks, while in reality, there are other important issues on today's agenda such as applying for a federal grant and the District's investment report for June, 2014.

Director Rice stated that the Board members who attend the conferences always learn something new.

A motion was made by Director Diep, seconded by Director Rice to approve the Consent Calendar. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

OLD BUSINESS

None

NEW BUSINESS

A. Union Bank, North America, Changes its Legal Name to Mitsubishi UFJ Financial Group Union Bank, North America

Eileen Perez provided her background and how she arrived at the Local Government Services Division and the District's Relationship Manager for Union Bank, now MUFG Union Bank. She presented the Board with an overview of MUFG Union Bank's history, background, expansion and global services in order to explain the merger and acquisition of Union Bank and MUFG. In 2013 Union Bank was rated the nation's most reputable bank by customers and in 2014 was named best corporate trust bank in the U.S. Eileen stated that Tommy Le, who was at the meeting but couldn't stay, is Vice President and Branch Manager of the Westminster Union Bank and is available to speak with the Board and she assured the Board that although the bank is now global, she is local and easily available for the District's needs.

B. Consider New Signage for Midway City Sanitary District's Solid Waste Trucks

GM Robbins stated that since the District is getting new trucks, Staff is recommending new signs to help promote recycling since the current signs are approximately 15 years old, faded and outdated. Directors were assured that the new signs could be transferred to the District's new CNG fuel trucks as they are delivered.

Director Diep asked Staff to inquire as to whether there would be a reduction in cost if the sign was all one color instead of two and GM Robbins stated that he would inquire about a reduction in cost.

A motion was made by Director Diep, seconded by Director Rice to select Sign Design's option two with several changes for the new signs for the District's trucks. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

C. Approval of Federal Lobbyist Grant Application for Alternative Fuel Infrastructure Funding Opportunity (PA2013-00) Offered by Clean Transportation Funding from the Mobile Source Air Pollution Review Committee (MSRC) in the Amount of \$175,000

GM Robbins stated that if the District were able to receive the full amount of the grant, the District would be obligated to pay the lobbyist \$21,875 as per his agreement which entitles him to 12.5% of the amount of the grant received.

GM Robbins updated the Board by stating that the City of Westminster is currently in the final review stages of the District's CNG fueling station plans.

A motion was made by Director Neugebauer, seconded by Director Diep to approve of the Federal Lobbyist Grant Application for Alternative Fuel Infrastructure Funding Opportunity (PA2013-00) Offered by Clean Transportation Funding from the Mobile Source Air Pollution Review Committee in the Amount of \$175,000, as recommended by Staff. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer, Rice

NAYS:

ABSTAIN:

ABSENT:

INFORMATIONAL ITEMS

A. Web Site Activity for the Month of June 2014 (46,777 Successful Hits)

B. CalPERS Board Approves Health Premium Rates for 2015

A motion was made by Director Neugebauer, seconded by Director Diep to receive and file the informational items. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer, Rice

NAYS:

ABSTAIN:

ABSENT:

BOARD CONCERNS/COMMENTS

Director Rice stated that she had no concerns and was very happy and only wanted to thank Staff for the good job.

Director Neugebauer stated that she appreciated that Staff for provided the representative from Union Bank to come speak to the Board regarding their merger and acquisition with MUFG.

GM/STAFF CONCERNS/COMMENTS

GM Robbins reminded the Board that he would be taking two vacation days this week and would be out of the office on Thursday and Friday, July 17th and 18th, 2014.

GENERAL COUNSEL CONCERNS/COMMENTS

None

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, August 5, 2014 at 5:30 P.M. at the District office at approximately 6:24 P.M.



Al Krippner, Secretary