

**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**

August 19, 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, August 19, 2014 at 5:30 P.M.

BOARD MEMBERS PRESENT:

Al P. Krippner
Joy L. Neugebauer
Tyler Diep
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
Sue Gordon, V.P. Public Affairs, Rainbow Env.
Vinny Tam, Due Diligence Coord, GreenbergFarrow
Matt Cabalce, Proj. Engineer, GreenbergFarrow

PLEDGE AND INVOCATION

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

PUBLIC COMMENTS

None

APPROVAL OF THE MINUTES OF THE MEETING OF AUGUST 5, 2014

A motion was made by Director Diep, seconded by Director Rice to approve the minutes of the meeting of August 5, 2014. The motion was approved by the following 5-0 vote:

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

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 569,799.18

#	CK #	Date	AMOUNT	VENDOR
1				HANDCUT CHECKS:
2	7032	8/8	333.39	AT&T Mobility - Service for July 2014: (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606,
3				Sewer 714-310-8654, Emergency 714-310-9004.
4	7033	8/8	105.98	DirectTV - Service for August 2014
5	7034	8/8	4,530.69	US Bank - (\$3,696.79 KR) 2014 Summer Safety & Collections Seminar Sewer Crew (DG, RG, M.J, JQ);
6				CASA Conference Monterey, CA Flight Reservations 08/20-08/22/2014 (KR, MR, JN, FC); MWD OC Water
7				Policy Forum & Dinner 07/30/14 (AK); ISDOC Quarterly Luncheon 07/31/14 (KR, MR, JN, FC, TD, AK);
8				Registration for CASA Conference Monterey, CA (KR, MR, JN, FC); Certified Mail Postage.
9				(\$112.15 DGe) Board Meeting Refreshments for 6/24, 7/01, & 7/15. (\$62.10 NC) Restock Refuse
10				Maintenance Supplies. (\$480.42 RH) Orange County Register MAY-2014; Remington Monthly Service
11				JLY-2014; (1) Valve for T63; CalPERS Educational Forum Registration 10/26-10/29/2014 (RH).
12	7035	8/14	470.18	Verizon Business - Internet Connection for SCADA System for July 2014
13			5,440.24	HANDCUT CHECKS SUBTOTAL
14				
15				REGULAR CHECKS:
16	7036	8/14	150.00	Cobo, Frank - CASA Monterey, CA Per Diem for 08/20-08/22/2014
17	7037	8/14	150.00	Neugebauer, Joy - CASA Monterey, CA Per Diem for 08/20-08/22/2014
18	7038	8/14	150.00	Rice, Margie - CASA Monterey, CA Per Diem for 08/20-08/22/2014
19	7039	8/14	150.00	Robbins, Kenneth - CASA Monterey, CA Per Diem for 08/20-08/22/2014
20	7040	8/14	62.00	Advanced Gas Products - Cylinder Rental for July 2014
21	7041	8/14	2,150.50	American Shield Private Security - Services Rendered through 07/16-07/31/2014
22	7042	8/14	4,465.98	Bodyworks Equipment - (1) Loader Latch Hook, (2) Pins, (1) Yoke for T57; (1) Directional Control Valve for
23				T62; (1) Check Relief Valve, (1) Collar for T65; (24) Cam Followers, (12) Switches for Restock.
24	7043	8/14	322,200.00	Boerner Truck Center - New 2014 Crane Carrier CNG Refuse Truck
25	7044	8/14	1,612.75	Chemsearch, Inc. - Restock (36) Hand Degreaser for Mechanics; (120)lbs Maxi-Lube for Restock.
26	7045	8/14	172.00	Orange County Health Care Agency - Annual Hazardous Materials Fee for 07/01/14 to 06/30/15
27	7046	8/14	12,733.75	CR Transfer - Tonnage for July 2014
28	7047	8/14	783.24	Cummins Cal Pacific - Inspections for Westminster, Hammon Liff Stations, and District Office
29	7048	8/14	8,133.21	Daniels Tire Service - (12) New Tires, (11) Recops for Restock

30	7049	8/14	1,245.66	Dartco Transmission - (10) Gallons Transmission Fluid for T57; (1) Selector for T61.
31	7050	8/14	6,775.25	Flo-Services - Preventative Maintenance for 4th Quarter
32	7051	8/14	283.92	G & K Services - Uniform Services for July & August 2014
33	7052	8/14	1,533.29	Huntington Beach Ford - A/C Repairs for T9
34	7053	8/14	450.00	Ironman Parts - Filter Cleaning for T62
35	7054	8/14	3,650.78	Los Alamitos Napa Auto Parts - (1) Alternator Belt for T9; (1) Battery for M5; Restock (4) Brake Kits, (8) Brake
36				Drums, (20) Nuts, (4) Gripper Kits, and (4) Valve Brakes.
37	7055	8/14	2,975.32	Orange County Sanitation District - Permit Fees for July 2014 (MCSD 5% = \$156.60)
38	7056	8/14	1,931.82	Orange County Sanitation District - 2013-2014 4th Quarter OCHCA FOG/BMP Inspections
39	7057	8/14	57.00	Paychex - New Employee Screening Service
40	7058	8/14	1,176.12	Plumber's Depot - (1) Nozzle, (2) Front Inserts, (20) Rear Inserts for M63 & M64
41	7059	8/14	162.36	PSI - (1) Switch Flow for District Fleet Pressure Washer
42	7060	8/14	131,942.99	Rainbow Transfer Recycling - Tonnage for July 2014
43	7061	8/14	598.00	Scott Harrison Plumbing & Heating - Parts & Labor to Repair District A/C Leak
44	7062	8/14	279.30	Top Mobile Vision - Repair & Replace (65) Foot Video Cable for T65
45	7063	8/14	21.00	Underground Service Alert - (14) New Tickets for July 2014
46	7064	8/14	258.80	Vortex Industries - Service to Repair Rolling Steel Door
47			\$ 506,255.04	REGULAR CHECKS SUBTOTAL
48				
49				PAYROLL
50	8/5		56,303.90	Payroll - Staff Check # 15669 - 15670 Taxes & Direct Deposits
51	8/5		1,325.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
52	8/5		475.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
53			\$ 58,103.90	PAYROLL SUBTOTAL
54				
55			\$ 569,799.18	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL)

A motion was made by Director Neugebauer, seconded by Director Diep to approve the expenditures in the amount of \$ 569,799.18. 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 staff is developing a commercial solid waste enclosure standard to be brought before the Board for approval. With recent developments and AB341, the standards need to be updated for contractors and developers so that they have guidelines to go by in order for the District to provide solid waste services.

Director Neugebauer asked if this was for commercial service and if so, would the District be coordinating these standards with CR&R and Rainbow Environmental, the District's franchisees.

GM Robbins confirmed that the standards are for commercial properties and both franchisees have a copy of the report, are reviewing it and will provide their own comments before it is brought back before the Board for approval.

GM Robbins stated that staff has ordered camera systems for the two vector trucks in order to benefit the sewer crew and add another level of safety.

A letter for liquidated damages has been sent to Performance Pipeline for the CCTV sewer line cleaning project. The District is waiting for a response but they did bring an important point which was the change in software that the District made in order to be able to change over to GIS in the future if needed. The 200 day requirement started December 2, 2013 so the end date would have been June 19, 2014, and not June 4, 2014 as stated in the contract. GM Robbins stated that he would keep the Board informed on this matter.

Report from Orange County Sanitation District Meeting (OCSD)

Director Diep stated that the legislative meeting was cancelled for the month of August month so he had nothing to report.

Report from Rainbow Environmental and CR&R – Quarterly Tonnage/Disposal

Sue Gordon, Vice President of Public Affairs for Rainbow Environmental reported that Midway City Sanitary District's total diversion rate was at 55% for commercial which is good news in that it indicates that the economy is picking up because trash is a leading economic indicator. Midway City and Westminster combined were at almost 75%, which is an increase from last quarter. AB1846 is a new bill that requires source separating of organics and by 2020 is looking for a 50% reduction in organic material going to the landfill. Commercial businesses of a certain size will be required to provide a 3 bin system, similar to residential.

Sue Gordon reported that Rainbow services only Star View School in Midway City now and they are always looking for a better way to deliver the recycling curriculum to the children. They are finding that the white boards that hook up to computers are being widely used to aid in the reduction of time and paper.

Public outreach events attended by Rainbow last quarter are: Legislative Reception, Westminster Prayer Breakfast, Orange County Vietnamese American Lion's Club, and the Westminster Chamber Awards.

On Saturday, June 28, 2014 Rainbow provided 10 large dumpsters for the Midway City Community Cleanup Day and recycled approximately 24.4 tons of material that was collected with a 49% diversion rate, which is 11.96 tons diverted. This was a disappointing diversion rate due to Orange County Public Works allowing a scavenger to remove all of the metal. The event is being investigated by Orange County Waste and Recycling.

Report from the City of Westminster's Fourth & Fifth Concerts in the Park (August 7, 14)

President Cobo reported that he enjoyed the concerts and the final Concert in the Park will be on Sunday, September 7, 2014 at the Dia de la Familia celebration.

Director Neugebauer and Rice have been attending the concerts and handing out the recycling coloring books and crayons.

CONSENT CALENDAR

A. Investment Report for July 2014

A motion was made by Director Rice, seconded by Director Diep to receive and file the investment report for July 2014. 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. Approval to Solicit Bids for Compressed Natural Gas (CNG) Fueling Station

GM Robbins stated that GreenbergFarrow, the District's contract engineer and project manager for the fueling station, is requesting that the Board approve for them to go out to solicit bids on the District's behalf, and to then bring them back to the Board for approval. Two representatives were at the meeting to answer any questions that the Board had.

Director Neugebauer asked whether the GreenbergFarrow proposal include preparing and assisting the preparation of the bid for the construction and whether it was included in the cost to oversee and manage the construction of the fueling station.

GM Robbins stated that is part of the contract – the plan specifications, going out to bid, critiquing the bids, coming back to the Board to present those bids and managing the project throughout.

Director Neugebauer clarified that the bids were to be opened in a Board meeting with the Board present.

GM Robbins stated to the representatives from GreenbergFarrow and the Board that the sealed bids would be opened at a Board meeting.

Director Neugebauer reminded the Board and Staff that the purchasing policy recommends that there be at least three bids for a proposal of this magnitude.

GM Robbins stated that he is hoping to get more than three.

Director Neugebauer asked if the Board would have the opportunity to have a presentation on the proposal before it goes out to bid.

GM Robbins stated that today's meeting should satisfy that need.

Director Neugebauer stated that her concern is and has been the omission by the Board to not recognize that there was a penalty with Performance Pipeline if the project was not completed in a timely matter because they have passed their deadline by almost 90 days and she would not like that to happen again. She asked if GreenbergFarrow will be monitoring the progress of the project and assuring that the contractor is abiding by the deadlines and requirements and whether that will be written into the contract.

The representatives from GreenbergFarrow both assured the Board that that could be written into the contract if so desired by the Board, and that they could incorporate the District's templates for this matter.

A motion was made by Director Neugebauer, seconded by Director Rice to approve GreenbergFarrow to work with District staff to prepare the proposal and solicit bids for construction of the District's new CNG fueling station. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

B. Consider Application for Recognition in Special District Governance

A motion was made by Director Rice, seconded by Director Neugebauer to approve that the District apply for recognition in Special District Governance for Directors Cobo, Rice and Neugebauer as well as a silver overall District recognition for having the majority of the Board holding recognition. The motion was approved by the following 5-0 vote:

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

C. Approval of Upgrade to the District's Computer Offsite Backup Server

A motion was made by Director Rice, seconded by Director Diep to approve of Computer Research Center (CRC) upgrading the District's computer offsite backup server and waive going out to bid. The motion was approved by the following 5-0 vote:

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

D. Approval of 2015 Midway City Sanitary District Calendar

Director Neugebauer stated that she feels the need to recognize that the cost of the bid from the printer increased approximately \$400 but that the price includes the cost of postage and mailing of the 2015 calendar.

GM Robbins stated that a new picture for the front of the calendar would be taken at next week's luncheon with the new CNG truck to replace the current picture.

A motion was made by Director Neugebauer, seconded by Director Rice to approve the final draft of the 2015 MCSD calendar. The motion was approved by the following 5-0 vote:

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

E. Approval of Printer for 2015 Midway City Sanitary District Calendar

Director Rice stated that she approves of DJ Printing because they are within the City of Westminster and she thanked GM Robbins for all his help.

A motion was made by Director Rice, seconded by Director Neugebauer to approve using DJ Printing Systems for the 2015 MCSD calendar and waive going out to bid. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

INFORMATIONAL ITEMS

A. Web Site Activity for the Month of July 2014 (48,092 Successful Hits)

B. Over the Top Program Second Quarter 2014 Report

A motion was made by Director Diep, seconded by Director Rice 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 Neugebauer thanked staff for assistance with the Special District Governance awards that she, Director Rice and Director Cobo as well as the District would be receiving at the CSDA conference in Palm Springs in September.

Director Rice also thanked staff for all their hard work.

Director Diep stated that he is unopposed for this election and asked if he or the District needs to do anything.

Discussion ensued on this topic.

Staff and General Counsel were asked to look into the matter.

GM/STAFF CONCERNS/COMMENTS

GM Robbins stated that he would begin picking up the Board at 6:30 A.M. on Wednesday, August 20, 2014 in order to carpool to LAX to attend the CASA conference in Monterey, CA.

Director Rice asked staff to look into the TSA requirements so that she would not have to wait in line when travelling.

Finance/HR Director Housley reported that last week the field auditors were in the office working and he should have an audit report to present to the Board in late September or early October.

The final, bound budget document will be ready sometime next week and will be posted on the District's website at that time as well.

GENERAL COUNSEL CONCERNS/COMMENTS

None

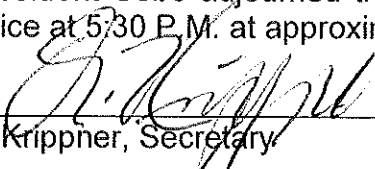
CLOSED SESSION

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, September 2, 2014 at the District office at 5:30 P.M. at approximately 6:20 P.M.


Al Krippner, Secretary