

**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**

September 2, 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, September 2, 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
Ron Shenkman, Chairman Emeritus, Rainbow Env.
Jeff Snow, President, Rainbow Env.
Jerry Moffatt, Executive Chairman, Rainbow Env.

PLEDGE AND INVOCATION

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

PUBLIC COMMENTS

Jeff Snow, President of Rainbow Environmental Services reported to the Board that the stock of Rainbow Environmental, which has been owned by the Rainbow Employee Stock Ownership Plan (ESOP) Trust has been sold to Republic Services. He assured the Board that nothing would change in terms of their service to the District and the customers the District serves. The company will still be the Rainbow brand, with the same blue trucks and drivers, the same excellent service, dedication and safety. He stated that there will simply be a new stockholder of the company and that their commitment has always been to

achieve the highest possible diversion, recycling and sustainability levels, and with their new capital partnership, they believe they can better respond to the upcoming mandates of AB1826 and organics recycling.

Director Rice stated that the District would not have to renegotiate.

Jeff Snow confirmed that the District would not need to renegotiate.

Director Neugebauer stated that Rainbow has always been employee owned and asked if that were going to change.

Jeff Snow responded that Rainbow has been through several iterations of equity ownership stockholders, most recently by the ESOP Trust owning the majority, but that will be sold to Republic.

Director Neugebauer stated that she hoped that the commitment to excellence will continue and that Mr. Shenkman would remain as Chairman Emeritus.

Jeff Snow confirmed that everything would remain the same, that Rainbow is a customer centric business with no change to the business or the people, only the stockholders.

APPROVAL OF THE MINUTES OF THE MEETING OF AUGUST 19, 2014

A motion was made by Director Rice, seconded by Director Diep to approve the minutes of the meeting of August 19, 2014. The motion was not acted upon.

Director Neugebauer asked for clarification on a portion of the minutes with regard to the approval of the proposal with GreenbergFarrow and asked if they would be amending the proposal to include a timeline for completion and if they would be bringing back the amended proposal to the Board for approval.

GM Robbins confirmed that the amended proposal would be brought back to the Board for approval and asked if she wanted a copy of the whole standard so that he could let GreenbergFarrow know what to provide.

Director Neugebauer stated that she felt it is her responsibility as a Board member to have the opportunity to review it before approving it.

Discussion was held on the Rainbow report on the Midway City Community Cleanup Day and a request was made that the tape be reviewed to determine the details.

A motion was made by Director Neugebauer, seconded by Director Rice to continue consideration of the minutes of the meeting of August 19, 2014 to the next regular Board meeting. The motion was approved by the following 3-2 vote:

AYES: Cobo, Neugebauer, Rice

NAYS:

ABSTAIN: Diep, Krippner

ABSENT:

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 638,421.77

#	CK #	Date	AMOUNT	VENDOR
1				HANDCUT CHECKS:
2	7065	8/22	146.56	AT&T - Brookhurst Lift Station Service for August 2014
3	7066	8/22	59.51	The Gas Company - District Office & Maintenance Yard Fees for August 2014
4			206.07	HANDCUT CHECKS SUBTOTAL
5				
6				REGULAR CHECKS:
7	7067	9/1	229.32	Advanced Gas Products - (1) Cylinder of Compressed Gas, (14.2) Gallons of Liquefied Propane
8	7068	9/1	533.37	Advanced Office Services - Restock (2) Black, (1) Yellow, (1) Cyan Toners for District Printer
9	7069	9/1	1,173.00	American Shield Private Security - Services Rendered through 08/01-08/15/2014
10	7070	9/1	737.00	Computer Research Center - Maintenance & Support for September 2014
11	7071	9/1	156.00	Darrel Grimes - Reimbursement for CWEA Renewal
12	7072	9/1	28,737.02	Flo-Services - Furnished & Installed: (2) New 4" Pump Check Valves, (2) 4" Flanged Adapters, (2) 4" Ductile
13				Iron Spools at Brookhurst Lift Station; (2) New 8" Pump Check Valves at Hammon Lift Station; Replaced
14				Damaged Cap & Cable Assembly on Immersible Pump at Brookhurst Lift Station.
15	7073	9/1	311.29	G & K Services - Uniform Services for August 2014
16	7074	9/1	750.00	Ironman Parts - Filter Cleaning for T60 & T65
17	7075	9/1	124.75	Los Alamitos Napa Auto Parts - (1) Battery for T9
18	7076	9/1	146.90	Joy Neugebauer - Health Insurance Reimbursement for September 2014
19	7077	9/1	54,344.94	Otto Environmental Systems - Restock (456) 95 Gallon Blue Containers, (720) 65 Gallon Black Containers
20	7078	9/1	633.29	Plumber's Depot - (2) Leader Hoses & (2) Fill Contractor Style Hoses for M63 & M64
21	7079	9/1	225.00	Randy Griffith - Reimbursement for CWEA Membership Fee & Renewal
22	7080	9/1	422.76	Santa Ana Diesel - (3) Fuel Filters, (1) Fuel Line Set for T53
23	7081	9/1	642.60	Sign Design - (20) Caution Decals & (30) Number Decals for New CNG Trucks
24	7082	9/1	2,381.09	Top Mobile Vision - Installed New Monitor and 4-Camera System on NG-1
25	7083	9/1	1,271.56	Vision Communications Co. - Installation of (2) New 2-Way Radios for NG-1 & NG-2
26	7084	9/1	1,147.50	Woodruff, Spradlin & Smart - Legal Services for July 2014
27	7085	9/1	4,768.41	Bodyworks Equipment - (1) Chain-Cable Carrier for T65; (1) Directional Control Valve for T59; Restock
28				(1) Grabber Kit, (4) 4" Cam Followers, & (20) 2" Cam Followers.
29	7086	9/1	9,792.82	CalPERS Retirement - Retirement Contributions for August 2014
30	7087	9/1	14,749.50	DJ Printing Systems - 50% Deposit for 2015 MCSD Calendar
31	7088	9/1	2,648.65	Daniels Tire Service - (12) Recaps & (4) Repairs for Restock
32	7089	9/1	162.38	G & K Services - Uniform Services for August 2014
33	7090	9/1	3,047.45	Greenberg Farrow Architecture, Inc. - Engineering Services for CNG Fueling Station
34	7091	9/1	155.90	Hillco Fastener Warehouse - Restock (300) Wire Ties, (30) Locknuts, (20) Washers, (90) Terminals, (2) Drill Bits,
35				and (100) Steel Rivets.

36	7092	9/1	162.43	ID Industries - (20) Rocker Switches for Restock
37	7093	9/1	284.00	Konecranes - Inspection & Preventative Maintenance for July 2014
38	7094	9/1	1,067.13	Los Alamitos Napa Auto Parts - (4) Gripper Kits & (4) Brake Drums for Restock
39	7095	9/1	72,878.01	Performance Pipeline Technologies - Sewer Cleaning & CCTV Inspection Progressive Payment
40	7096	9/1	904.55	Ray Gaskin Service - Restock (3) Seal Kits & (2) New Rods; Repair (2) Grip Cylinders & (1) Dump Cylinder
41				for Restock.
42	7097	9/1	3,176.21	Southern California Edison - Archives & Parking Garage \$45.93, District Office \$960.92,
43				Maintenance Shop \$289.99, Brookhurst Lift Station \$171.77, Westminster Lift Station \$383.31,
44				Willow Lift Station \$417.63, Hammon Lift Station \$906.66.
45	7098	9/1	4,872.09	TEC of California - A/C Repairs for T61; (2) Air Filters, (2) Insulators T57; Restock (10) Filters, (3) Air Filters,
46				(1) Fuel Filter, (1) Panel Radio, and (6) Expanse Tanks.
47	7099	9/1	301,493.58	TEC of California - New 2015 Mack Side Loader CNG Refuse Truck (NG-2)
48	7100	9/1	104.00	First Bankcard (NC) - Restock District Kitchen & Cleaning Supplies
49			\$ 514,234.50	REGULAR CHECKS SUBTOTAL
50				
51				PAYROLL
52	8/19		56,528.83	Payroll - Staff Check # 15672 - 15673 Taxes & Direct Deposits
53	8/19		1,325.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
54	8/19		475.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
55	8/29		4,282.69	Board of Director's Payroll for the Month of August 2014 Check # 15675 - 15678
56	8/29		342.32	Board of Director's Nationwide Deferred Compensation for August 2014 (100% Paid By Directors)
57	9/2		59,227.36	Payroll - Staff Check # 15679 - 15680 Taxes & Direct Deposits
58	9/2		1,325.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
59	9/2		475.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
60			\$ 123,981.20	PAYROLL SUBTOTAL
61				
62			\$ 638,421.77	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL)
63				
				BANK TRANSFERS
			900,000.00	Transfer Funds from LAIF to Checking Account

A motion was made by Director Rice, seconded by Director Diep to approve the expenditures in the amount of \$ 638,421.77. 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 was getting estimates on a smaller CNG solid waste truck from several of the manufacturers for those small and difficult to access areas within the District and would bring those back to the Board for consideration.

GM Robbins stated that there is a delay on the structural end of the District's CNG fueling station due to the City of Westminster's Building Department. They are requesting a structural rating for the enclosed compressor housing which GreenbergFarrow is asking the manufacturer to provide.

A copy of the fiscal year 2014-2015 budget was provided to the Board and will be added to the District's website.

Director Neugebauer asked if the new Mack CNG truck had been out on the road yet.

GM Robbins confirmed that both of the new CNG trucks were already working routes.

Report from Orange County Sanitation District Meeting (OCSD)

Director Diep reported that he attended the August 27, 2014 meeting where routine operational items were discussed. OCSD is now negotiating all three collective bargaining units at the same time instead of one because all the contracts expired. Jim Ruth, OCSD's lead negotiator is being slowly replaced by Steve Filarsky to assist with those labor negotiations.

Report from California Association of Sanitation Agencies (CASA) Annual Conference in Monterey, CA

Director Rice reported that the ethics class was the best she has ever attended and that although she is not remaining on the Executive Board for CASA, she is remaining on the Education Foundation Board.

Director Neugebauer stated that the ethics class was 3 hours long and very well presented. There was an election of officers, the passing of the gavel to David Williams, the new President and Director Rice was recognized as an outgoing Director of their Executive Board. Three \$5,000 scholarships were presented to students although they had only planned on two and there was a Washington report from Eric Saperstein that was not as optimistic as in the past because of the "Do Nothing Congress".

President Cobo stated that he was happy to see that they had the Pledge of Allegiance to the Flag due to Director Rice's insistence.

Report from Midway City Sanitary District Luncheon and Review of New CNG Truck

The full Board attended the luncheon and were able to view the new CNG trucks up close.

Director Krippner stated that he was able to see both of the new CNG trucks firsthand servicing his street and he was very impressed.

President Cobo stated that he especially likes the Crane Carrier CNG truck with two fewer tires and the rear wheels that turn as well as the front.

Director Neugebauer stated that she feels that the District's drivers like interacting with the Board at the luncheons.

CONSENT CALENDAR

A. California Employers' Retiree Benefit Trust (CERBT) Program Fiscal Year 2013-14 Annual Financial Statement for the Period Ending June 30, 2014

B. Approve Attendance to the Municipal Water District of Orange County (MWDOC) Water Policy Forum on Thursday, October 2, 2014

C. Approve Attendance to the Westminster State of the City Luncheon on September 25, 2014

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. Consider the Billing of Board Approved User Fees for Wholly Exempt Parcels Not Placed on the Tax Roll by the Orange County Assessor's Office

Finance/HR Director Housley stated that the Board was provided with a spreadsheet showing which properties came back from the County as wholly exempt and that the County is not going to bill for the District's user fee any longer. There are approximately 15-16 different organizations and he stated he does not think that the District needs to go out and hire someone to do the billing and that the District can do it the first year. The total comes out to approximately \$43,000 in user fees and the question is whether they are going to pay it once billed.

Director Neugebauer asked whether the District needed to enact an ordinance or resolution that would include an enabling clause enabling the District to cut off service in case of non-payment.

Finance/HR Director Housley stated that he would look into it.

A motion was made by Director Diep, seconded by Director Rice to direct staff to bill the wholly exempt parcels that will not be placed on the County tax roll for Board approved user fees for service provided for the fiscal year 2014-2015 and to have General Counsel look into an enabling ordinance in case of non-payment. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

B. 2014 Closed Circuit Television (CCTV) and Cleaning of 174 Miles of District Sewer Mains Project

GM Robbins stated that a letter was sent to Performance Pipeline with regard to the project not being completed on time per Board direction. Performance Pipeline stated in their response letter that there was about \$25,000 worth of programming that they have done and a change of trucks. According to GM Robbins this is true because the District needed to change the program and put it on the Global Information System (GIS) system. The project is still not completed so GM Robbins recommended that the Board wait to make any decisions until the project is completed.

A motion was made by Director Neugebauer, seconded by Director Rice to receive the report and continue this item until the project is completed. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

INFORMATIONAL ITEMS

A. Response from Orange County Registrar of Voters Regarding No Contest on Upcoming 2014 Midway City Sanitary District Contest

General Counsel stated that it is very clear that the Registrar of Voters is required to present the information to the Board of Supervisors which is the supervising authority for this election and they are required to appoint the three people to their Board

positions which will be done after the election is certified and in time for the District to get that certification and process, just as if there had been an election so that the District can have the swearing in.

Director Neugebauer stated that there is a difference between being duly elected and being appointed to a position and that the letter to the District states that they will be appointed in lieu of election by the Board of Supervisors and that that should be clarified.

General Counsel assured the Board that their positions are duly elected and not appointed.

B. Transportation Security Administration (TSA) Pre-Application Program

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 Rice stated that Elaine Sullivan spoke with her at the conference in Monterey and said that she was very upset because she was unseated by Arlene Schaffer due to some dirty politicking saying she wasn't doing a good job on her own Board. Director Rice told her that the MCSD Board voted for her, felt it was unfair and that she deserved a chance to serve more than just one term.

Director Neugebauer stated that for the State of the City luncheon, it would be feasible to pay for a table for 8 that included signage for the District and the Board agreed.

The Board wished Director Krippner a happy birthday.

GM/STAFF CONCERNS/COMMENTS

None

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 16, 2014 at the District office at 5:30 P.M. at approximately 6:35 P.M.

Al Krippner, Secretary