

**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 16, 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 16, 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
Farmin Shir, GreenbergFarrow
Vinny Tam, GreenbergFarrow
Nitin Patel, White Nelson Diehl Evans LLP
Daphnie Munoz, White Nelson Diehl Evans LLP
Dean Ruffridge, CR&R

PLEDGE AND INVOCATION

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

PUBLIC COMMENTS

None

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

A motion was made by Director Neugebauer, seconded by Director Rice to approve the revised minutes of the meeting of August 19, 2014. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer, Rice

NAYS:

ABSTAIN:

ABSENT:

APPROVAL OF THE MINUTES OF THE MEETING OF SEPTEMBER 2, 2014

A motion was made by Director Rice, seconded by Director Neugebauer to approve the minutes of the meeting of September 2, 2014, with a revision. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer, Rice

NAYS:

ABSTAIN:

ABSENT:

Director Diep left the meeting at 5:36 P.M.

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 244,855.07

#	CK #	Date	AMOUNT	VENDOR
1				HANDCUT CHECKS:
2	7101	9/2	42,078.65	CalPERS Health Premium - Healthcare Premium for September 2014
3	7102	9/2	3,784.06	MetLife - Monthly Dental Premium for September 2014
4	7103	9/2	838.83	The Standard Life Insurance - Premium Coverage for September 2014
5	7104	9/2	869.18	Verizon California - District Office Phones & Lift Stations for August 2014; \$530.21 District Office,
6				\$152.99 Willow Lift, \$152.99 Westminster Lift, \$152.99 Hammon Lift.
7	7105	9/2	383.55	Vision Service Plan - Monthly Premium for September 2014
8	7106	9/10	333.39	AT&T Mobility - Service for August 2014: (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606,
9				Sewer 714-310-8654, Emergency 714-310-9004.
10	7107	9/10	13.78	City of Westminster - Hammon Lift Station Water Usage for 07/02-08/26/2014
11	7108	9/10	80.00	City of Westminster - Hydrant Meter Water Usage for July & August 2014
12	7109	9/10	105.98	 DirecTV - Service for September 2014
13	7110	9/10	167.49	Office Max - Restock (4) Ink Toners & (1) Box of Legal Folders for District

14	7111	9/10	7,398.18	US Bank - (\$4,604.13 KR) Wiarcom Monthly Service JULY-2014 & AUG-2014; ISDOC Meeting 07/31/2014 (RH);
15				GPS Tracking System for NG1 & NG2; Wiarcom 12-Month Service & Activation Fee; Calendar Committee
16				Meeting Lunch (KR, MR JN); CSDA Conference Registration Palm Springs 9/29-10/02/2014 (NC, KR,
17				MR, FC, JN, AK); Cab Ride CASA Conf. Monterey, CA 08/20-08/22/2014(KR). (\$96.12 DGe) Board Meeting
18				Refreshments for 08/05 & 08/19. (\$68.71 DGr) Restock Sewer Maintenance Supplies (\$2,162.09 NC) (4) Sets
19				of Timecards & Ribbon for Time Clock; Replacement Mop Handle; (4) New Tires & Balance for T4;
20				Labor & Parts to Repair A/C Compressor for T9; Overnight Parking @ Ontario Airport 07/21-07/24/14.
21				(\$467.13 RH) City of Westminster Water - Westminster Lift Station 05/07-07/01/2014; City of Westminster
22				Water - Maint. Shop 06/11-08/05/2014; City of Westminster Water - District Offices 06/11-08/05/2014;
23				CSDA Recognition in Special District Gov. (MR, JN, FC); OC Register Subscription JUN-2014; Remington
24				Service AUG-2014; CSMFO GASB Update 08/21/2014.
25			56,053.09	HANDCUT CHECKS SUBTOTAL
26				
27				REGULAR CHECKS:
28	7112	9/10	6,006.06	Bodyworks Equipment - Restock (5) Filters & (5) Inductive Switches; (1) RR Track Assembly for T53; (1) Wire
29				Harness & Valve End for T57; (1) Rebuilt PLC for T59.
30	7113	9/10	8,667.60	Computer Research Center - 8 Port GB for the New Server; Hardware & Labor for New Server
31	7114	9/10	9,605.51	CR Transfer - Tonnage for August 2014
32	7115	9/10	450.34	Dartco Transmission Sales - (10) Gallons Transmission Fluid for T65
33	7116	9/10	477.83	Deluxe Business Checks - Restock (1,000) Checks for Accounts Payable
34	7117	9/10	199.00	Elite Gates - Parts & Service for District Office Gate
35	7118	9/10	585.09	Golden Bell Products - Restock (55) Gallons Super Butyl Cleaner for Shop
36	7119	9/10	250.28	Huntington Beach Ford - (6) Spark Plugs, (2) Filters, (1) Gasket, (1) Valve for T4
37	7120	9/1	2,514.58	Los Alamitos Napa Auto Parts - Restock (7) Tire Knockers, (6) Mirrors, (4) Gripper Kits, (4) Brake Drums,
38				(4) Automatic Slack Adjusters, & (1) Jack for Shop; (4) Automatic Slack Adjusters for T61; (1) Battery for M4
39	7121	9/10	591.43	Los Angeles Freightliner - (2) Mirrors for NG1 & NG2; Parts & Labor for M63
40	7122	9/10	18,198.20	Orange County Sanitation District - Permit Fees for August 2014 (MCSD 5% = \$957.80)
41	7123	9/10	1,835.82	Plumber's Depot - (2) 3" Intake Check Valves, (2) 2" Intake Check Valves, and Labor for M63 & M64
42	7124	9/10	117,299.33	Rainbow Transfer Recycling - Tonnage for August 2014
43	7125	9/10	2,254.77	TEC of California - Parts & Labor to Repair Fuel Pump, Gateway Module, & Coolant Lever Module for T62
44	7126	9/10	6,615.29	Top Mobile Vision - Installed New Monitor and 4-Camera System on NG2, M63, & M64
45	7127	9/10	791.64	TSP Printing - Restock (2,750) Driver Vehicle Inspection Reports for Fleet
46	7128	9/10	16.50	Underground Service Alert - (11) New Tickets for August 2014
47	7129	9/10	12,000.00	White Nelson Diehl Evans - First Billing on Audit of the District's Financial Statements FYE June 30, 2014
48	7130	9/10	186.03	Advanced Gas Products - Cylinder Rental for August 2014; (1) Curved Brush for Shop
49	7131	9/10	256.68	Rainbow Transfer Recycling - Natural Gas Fuel Charges for August 2014
50			\$ 188,801.98	REGULAR CHECKS SUBTOTAL
51				
52				PAYROLL
53				No Payroll to Report
54			\$ -	PAYROLL SUBTOTAL
55				
56			\$ 244,855.07	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL)

A motion was made by Director Neugebauer, seconded by Director Rice to approve the expenditures in the amount of \$ 244,855.07. The motion was approved by the following 4-0-0-1 vote:

AYES: Cobo, Krippner, Neugebauer, Rice

NAYS:

ABSTAIN:

ABSENT: Diep

Director Diep returned to the meeting at 5:40 P.M.

REPORTS

Report of President

None

Report of General Manager

GM Robbins reported that staff has been looking into purchasing a smaller CNG truck for tight areas within the District per the Board's direction and has found that they are only approximately 4 feet smaller and cost about the same as the larger trucks. The size difference is not small enough to accommodate the District's needs, so at this time, staff's recommendation would be to purchase a standard sized CNG truck with a camera system. Staff will continue to research this issue further.

The CCTV sewer cleaning project is going well and a five year rehabilitation plan is being put together by staff in order for the District to stay cost effective. The rehabilitation plan will be added to the District's strategic plan and brought back to the Board for approval.

GM Robbins reported that a flood occurred in the District office over the weekend due to a broken line in the machine that provides filtered drinking water. There were no major issues, but the linoleum in portions of the office is buckling and will need to be repaired or replaced.

Director Neugebauer requested that an item be placed on the next agenda for discussion and consideration for the District offices to be monitored on weekends due to the incident to ensure that something like this does not occur again.

Report from Orange County Sanitation District Meeting (OCSD)

On September 10, 2014 Director Diep attended a committee meeting to oversee the administration portion of the Orange County Sanitation District. The majority of the committee voted to adopt a resolution to recommend to the full Board of Directors that they change the way the checks and warrants are approved. Generally, checks are approved

by the governing body prior to the checks and warrants being sent out. At OCSD it is merely a formality and the checks are sent out prior to a vote by the Board. OCSD is an appointed Board and the members are restricted by the Levine Act, are not able to vote on certain items and must abstain from voting. OCSD staff will issue a report with the checks being sent out and if there are questions, they can be addressed at the time of the report.

Director Diep reported that staff narrowed down investment managers to two investment firms and the committee has been asked to study those and may use both in order to better leverage and get a lower fee on their \$5 million.

Report from La Dia de la Familia

Director Rice represented the District at the Dia de la Familia which was sponsored in part by the District. She stated that attendance was low compared to past years. She spoke for the City of Westminster as well as the District.

Director Rice reported that former Director Russell Paris' wife, Helen Paris, passed away on Monday, September 15, 2014.

Director Rice stated that she attended the Chamber of Commerce business luncheon and that there are a lot of plans for the future.

CONSENT CALENDAR

A. Investment Report for August 2014

B. Westminster Chamber of Commerce Annual Membership Dues for December 1, 2014 through December 1, 2015

C. Approve Attendance to California Special District Association (CSDA) Special Districts Leadership Academy Conference, November 16-19, 2014 in Anaheim, CA

A motion was made by Director Neugebauer, seconded by Director Diep 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

A. Approval to Solicit Bids for Compressed Natural Gas (CNG) Fueling Station

GM Robbins stated that the Board was provided with the plans for the CNG fueling station per their request. There have been some delays due to Southern California Edison and the Gas Company changing their contact persons and the City of Westminster's building department.

Farmin Shir reported to the Board that GreenbergFarrow has responded to the City of Westminster's final round of review comments which were mostly for clarification. Additional calculations for the housing and enclosure of the compressor were requested. They will be meeting with a building official on September 17, 2014 to address those comments and are hoping for final approval of the plans soon. From a utility perspective, GreenbergFarrow will be obtaining a letter from Southern California Gas ensuring that the same amount of pressure has not changed in the last few months and is still available to the District. The document provided to the Board will be changed from a Request for Proposal to a Request for Bid and in order to have a better comparison from the contractors, there will be a bid form included which will make comparisons easier.

Director Neugebauer stated that the proposal is very well written and incorporates some of her concerns expressed previously, but asked if the agreement will incorporate everything in the proposal.

Farmin Shir stated that GreenbergFarrow is currently working on the agreement and confirmed that it would incorporate everything so that each contractor can review it prior to bidding on the project. Once GreenbergFarrow has obtained final approval of the mylars, final documents and plans from the City of Westminster, everything will be uploaded into the database that the contractors will be able to review.

GM Robbins stated that once the bid documents are finalized he would be forwarding them to General Counsel for review due to changes in the laws in the last few years.

Director Neugebauer commended GreenbergFarrow for their patience in working with the City of Westminster and asked whether the City of Westminster would have any role in inspecting the project.

Farmin Shir confirmed that they would be inspecting certain portions of the project, but that it is a different department.

A motion was made by Director Neugebauer, seconded by Director Diep to approve as recommended. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

NEW BUSINESS

A. Consider and Approve the Fiscal Year 2013-2014 Independent Financial Audit Report for Midway City Sanitary District (July 1, 2013 through June 30, 2014)

Nitin Patel from White Nelson Diehl Evans LLP gave the Board an overview of the independent audit report.

Director Neugebauer stated that last year the audit report recommended that the District review its purchasing policy, which the Board did and she asked if it was reviewed this year and if there were any comments with regard to it.

Nitin Patel stated that they did review and test it and were satisfied with what was done.

Nitin Patel stated that due to GASB 68, the audit next year will be delayed due to the final pension liability reports needed from CalPERS.

A motion was made by Director Rice, seconded by Director Neugebauer to approve to receive and file the 2013-2014 Fiscal Year Independent Financial Audit Report for the District. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

B. Consider Approval of the Midway City Sanitary District's Commercial Solid Waste and Recycling Design and Construction Standards

GM Robbins stated that standards are needed within the District for project developers so that they allow for bins prior to planning and building.

Dean Ruffridge, Senior V.P. of CR&R stated that he received and reviewed the document and stated that it is very well done.

A motion was made by Director Neugebauer, seconded by Director Diep to move as recommended by staff and approve the District's Commercial Solid Waste and Recycling Design and Construction Standards and add them to the District's website. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

C. Approval to Surplus T55 – 1999 White GMC Solid Waste Automated Side Loader Truck with Heil Body

A motion was made by Director Neugebauer, seconded by Director Diep to approve staff's recommendation to sell T55. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

D. Consider and Approve Attendance of Finance/HR Director, Robert Housley, to the Local Agency Investment Fund (LAIF) Conference November 18, 2014 in Sacramento, CA

A motion was made by Director Rice, seconded by Director Diep to approve attendance for Finance/HR Director Housley to the LAIF conference on November 18, 2014 in Sacramento, California. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

E. Consider Election of Independent Special District of Orange County (ISDOC) Officers

A motion was made by Director Rice, seconded by Director Diep to vote in favor to support and slate. 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 August 2014 (46,809 Successful Hits)

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

AYES: Cobo, Diep, Krippner, Neugebauer, Rice

NAYS:

ABSTAIN:

ABSENT:

BOARD CONCERNS/COMMENTS

Director Neugebauer suggested that the District's 75 year anniversary video be added to the website.

GM Robbins stated that it was just completed and that he will bring it to the Board to review prior to putting it on the website.

Director Neugebauer stated that she received a letter and pin from CSDA's Special District Leadership Academy with regard to the certificate that she, Director Rice and President Cobo would be receiving at the annual conference in Palm Springs.

Director Rice stated that she did not receive her pin.

Staff was asked to contact CSDA to request a pin for Director Rice.

Director Rice thanked staff for having her bulky items picked up but stated that the driver that picked up refuse in her neighborhood left her cans in the street and she noticed that others were knocked over.

President Cobo stated that the City yard has been temporarily moved while the old yard is closed for remodeling.

GM/STAFF CONCERNS/COMMENTS

GM Robbins stated that pickup for the CSDA conference starting Monday, September 29, 2014 would be at 6:30 A.M. and that he and Director Operations/Safety Castro were signed up for SDRMA's safety certification program.

Finance/HR Director Housley reported that the 13 invoices totaling approximately \$44,000 for the 80 wholly exempt parcels had been created and mailed out.

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 in honor of former Director Russell Paris' wife, Helen Parris to Tuesday, October 7, 2014 at the District office at 5:30 P.M. at approximately 6:56 P.M.

Al Krippner, Secretary