

**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**

October 7, 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, October 7, 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
James Eggart, General Counsel
Danielle Gerardo, Board Secretary

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 SEPTEMBER 16, 2014

A motion was made by Director Rice, seconded by Director Diep to approve the minutes of the meeting of September 16, 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 \$ 342,996.37

#	CK #	Date	AMOUNT	VENDOR
1				HANDCUT CHECKS:
2	7132	9/17	100.00	Neugebauer, Joy - Per Diem CSDA Conference Palm Springs, CA 09/29-10/02/2014
3	7133	9/17	200.00	Castro, Nick - Per Diem CSDA Conference Palm Springs, CA 09/29-10/02/2014
4	7134	9/17	200.00	Rice, Margie - Per Diem SCDA Conference Palm Springs, CA 09/29-10/02/2014
5	7135	9/17	69.26	The Gas Company - District Office & Maintenance Yard Fees for September 2014
6	7136	9/17	61.47	Office Max - Restock Office Supplies for September 2014
7	7137	9/17	24,622.54	SDRMA - Workers' Compensation FY 2014-2015 2nd Qtr OCT-DEC 2014
8	7138	9/17	469.03	Verizon Business - Internet Connection for SCADA System for August 2014
9	7139	9/25	144.40	AT&T - Brookhurst Lift Station Service for September 2014
10	7140	9/25	201.00	Pitney Bowes/ Purchase Power - Postage for Postage Machine for August 2014
11	7141	9/25	262.53	First Bankcard (NC) - Restock District Kitchen Supplies for September 2014
12	7142	10/2	14,689.23	CalPERS Retirement - Retirement Contributions for September 2014
13	7143	10/2	40,988.54	CalPERS Health Premium - Healthcare Premium for October 2014
14	7144	10/2	3,784.06	MetLife - Monthly Dental Premium for October 2014
15	7145	10/2	300.89	Pitney Bowes - Lease Payment for Postage Machine October 2014 through January 2015
16	7146	10/2	3,032.75	Southern California Edson - Archives & Parking Garage \$50.96, District Office \$1,046.83,
17				Maintenance Shop \$312.96, Brookhurst Lift Station \$169.05, Westminster Lift Station \$375.84,
18				Willow Lift Station \$342.73, Hammon Lift Station \$734.38.
19	7147	10/2	865.86	The Standard Life Insurance - Premium Coverage for October 2014
20	7148	10/2	5,683.15	US Bank - (\$4,052.55 KR) Wiarcom Monthly Service SEP-2014; MWDOC Forum & Dinner 10/02/14 (AK);
21				Marriot Hotel & Airport Parking CASA Ann. Conf. Monterey, CA 08/20-08/22/2014 (KR, FC, JN, MR);
22				Baggage Charge CASA Ann. Conf. Monterey, CA 08/20-08/22/2014 (KR, FC, MR, JN); Employee Luncheon
23				& CNG Truck Unveiling 08/24/2014; State of the City Luncheon 09/25/14 (1 Table); MWDOC Water Policy
24				Forum & Dinner 10/02/14 (AK); Wet/Dry Vacuum. (\$273.84 DGe) Board Meeting Refreshments 08/27, 09/02,
25				& 09/16; FY 13-14 Budget Document Printing & Binding. (\$597.50 DGr) Restock Sewer Maintenance Supplies
26				(\$487.66 NC) Restock District Kitchen Supplies. (\$271.60 RH) USPS Resident Mailing & District Postage;
27				City of Westminster - Water 06/11-08/05/2014 - District Office; City of Westminster - Water 07/02-08/26/2014
28				- Westminster Lift Station; Remington Monthly SEP-2014.
29	7149	10/2	996.35	Verizon California - District Office Phones & Lift Stations for September 2014; \$537.38 District Office,
30				\$152.99 Willow Lift, \$152.99 Westminster Lift, \$152.99 Hammon Lift.
31	7150	10/2	383.55	Vision Service Plan - Monthly Premium for October 2014
32			97,054.61	HANDCUT CHECKS SUBTOTAL
33				
34				REGULAR CHECKS:
35	7151	10/2	146.90	Neugebauer, Joy - Health Insurance Reimbursement for October 2014
36	7152	10/2	235.00	Castro, Nick - CWEA Membership & Renewal Reimbursement
37	7153	10/2	41.00	Griffith, Randy - DMV License Renewal Reimbursement
38	7154	10/2	57.00	Advanced Workplace Strategies - DOT Drug Test (JC)
39	7155	10/2	2,044.22	Bodyworks Equipment - Restock (12) Links, (6) Packer Pins, (4) Cushion Kits

40	7156	10/2	737.00	Computer Research Center - Maintenance & Support for October 2014
41	7157	10/2	1,972.49	Daniels Tire Service - (10) Recaps & (1) Repair
42	7158	10/2	2,440.63	Darico Transmission - (55) Gallon Transmission Oil & (12) Filters for Restock
43	7159	10/2	559.37	G & K Services - Uniform Services for September 2014
44	7160	10/2	4,095.78	Greenberg Farrow Architecture, Inc. - Engineering Services for CNG Fueling Station
45	7161	10/2	1,437.94	Los Alamitos Napa Auto Parts - Restock (12) Motor Oil, (50) Feet Hosing, (4) Blow Guns, (2) Air Hose,
46				(19) Hose Ends, (5) Lubricant, & (20) Shoplite.
47	7162	10/2	40,980.45	Performance Pipeline Technologies - Sewer Cleaning & CCTV Inspection Progressive Payment
48	7163	10/2	112.32	Plumbers Depot, Inc. - (2) Nozzle Extensions for Vactor Trucks
49	7164	10/2	703.20	Ray Gaskin Service - Restock (1) In-n-Out Seal Kit, (1) Grip Seal Kit, (1) Arm Rise Seal Kit, & (1) Grip Cap
50	7165	10/2	550.80	Reyes Alternators - (2) New Alternators & (1) New Started for Restock
51	7166	10/2	100.00	State Treasurer's Office - Registration Fee for 2014 LAIF Conference (RH)
52	7167	10/2	362.24	TEC of California - Labor & Parts to Repair Throttle for T59
53	7168	10/2	276.00	Wespac Security Services - Burglar & Fire Alarm Services for July through September 2014
54	7169	10/2	4,342.50	Woodruff, Spradlin & Smart - Legal Services for August 2014
55	7170	10/2	525.00	Frog Environmental - 2nd Quarter 2014-2015 Non-Storm Observation
56	7171	10/2	124,361.08	Rainbow Transfer Recycling - Tonnage for September 2014
57	7172	10/2	15.00	Underground Service Alert - (10) New Tickets for September 2014
58			\$ 186,095.92	REGULAR CHECKS SUBTOTAL
59				PAYROLL
60				
61	9/16		59,845.84	Payroll - Staff Check # 15682 - 15683 Taxes & Direct Deposits
62			\$ 59,845.84	PAYROLL SUBTOTAL
63				
64			\$ 342,996.37	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL)
65				BANK TRANSFERS
			600,000.00	Transfer Funds from LAIF to Checking Account

A motion was made by Director Neugebauer, seconded by Director Diep to approve the expenditures in the amount of \$ 342,996.37. 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 California Governor Jerry Brown just recently signed a few bills into legislation that will affect District. AB 1594 (alternative daily cover/green waste) will go into effect on January 1, 2020 and will require that green waste not be counted in the recycling totals. The District only generates approximately 1,000-1,200 tons of residential waste due to increased building and smaller yards. AB 1826 will require all commercial businesses that generate 8 or more cubic yards of organic waste per week to start diversion by January 1, 2016. By January 1, 2019, all commercial businesses regardless of the amount of organic waste generated will be required to divert it and have a program in place. All local jurisdictions will be required to adopt a program by January 1, 2016, which the District will also be required to do.

GM Robbins stated that there will be a Special District Leadership Academy in Anaheim November 16-19 and requested that the Board let staff know if they plan to attend as soon as possible.

GM Robbins reported that he responded to an email from Sue Gordon at Rainbow Environmental Services in which he asked that bins to recycle the campaign signs after election day be placed at the District and not at the City since Rainbow is the District's waste hauler and franchisee. GM Robbins also asked that they not act on any request by the City of Westminster without the District's consent. In order to promote the District, Rainbow has been asked to put signage on those trucks that service the District with something that states that they proudly serve Midway City Sanitary District. He also suggested that, at community events which provide receptacles for waste, that signage for the District be placed on the cardboard receptacles and be provided by the District, not Rainbow. GM Robbins stated that there may be a closed session on the next agenda in order for the Board to discuss and prepare for the changes that are bound to affect Rainbow since their sale to Republic.

GM Robbins reported that the resident at 6424 Maple in Westminster applied for the sewer lateral assistance program. On the front of the contract it states that the District pays 50% but on the inside it states that the District pays up to \$1,800. The error was not caught in time so the resident is only responsible for half of the total cost of \$875. GM Robbins stated that he would pay the difference, but the Board consensus was that the District would cover the cost.

Report from Orange County Sanitation District Meeting (OCSD)

Director Diep reported that there was a full Board meeting on September 24, 2014 at which there was discussion and approval of several projects within the County. Beginning next year, OCSD will be going out for a Request for Proposal (RFP) for their federal lobbying contract. OCSD has been using Eric Saperstein for the past five years and while there is nothing wrong with the current firm being used, OCSD believes that they should consider new RFP's every five years.

Director Diep reported that the Board also ratified the new policy that Directors do not need to ratify checks, warrants, and expenditures, even though he and two other Board members voted against it. There was also a closed session for the labor negotiations which have been going on since March 2013 and more recently, management salaries are also need being considered.

Report from Westminster Chamber of Commerce State of the City Luncheon

Directors Rice, Cobo and Diep felt that the turnout was better than last year and that the outlook for the City was more positive.

Director Neugebauer reported that it was very comprehensive with a lot of networking within the community.

Report from Redevelopment Agency (RDA) Oversight Committee

Director Rice reported that the Oversight Committee approved \$19 million in ROPS money for January 1, 2015 through June 30, 2015.

Director Neugebauer asked if the same schedule of fees was approved by the City Council the night before the RDA Oversight meeting.

Director Rice confirmed that it was.

Director Neugebauer stated that if she were on the Board it would be important to her to have a report on the status of the redevelopment counsel of Westminster's lawsuit against the State of California. As a member of the Board of the Midway City Sanitary District, which was named in that lawsuit, she asked to be provided with an update.

Report from California Special Districts Association (CSDA) Conference, Palm Springs, CA September 29-October 2, 2014

Director Neugebauer reported that it was one of the most worthwhile but physically demanding conferences she has attended due to all of the walking. The sessions dealt with building trust in the workplace, understanding contracts and contractual risks, improving memory and the power of concentration, and evaluating your legal counsel.

Director Neugebauer recommended that the next time the General Manager is evaluated by the Board, the District's legal counsel should also be evaluated since she has never seen the agreement which dates back to 1988.

Director Rice reported that the risk management session was good, and that the conference on a whole was good but the hotel was disappointing.

The District received recognition in the form of a silver certificate for the majority of the governing Board's participation and Directors Cobo, Rice and Neugebauer received individual certificates for completing the Special District Leadership Academy.

GM Robbins and Director of Operations/Safety Castro attended a safety seminar and were certified, which helped earn education points toward the District's SDRMA insurance.

Director Neugebauer stated that GM Robbins and Director Operations/Safety Castro were both in attendance at all the sessions even though both of their families were with them.

GM Robbins stated that he was planning to send both Finance/HR Director Housley and Director Operations/Safety Castro to the Special District Leadership Academy in November to get certified but Finance/HR Director Housley will be at the LAIF conference in Sacramento. GM Robbins and Director Operations/Safety Castro are planning to attend and since the conference is in Anaheim they will be close by if needed.

Report from Metropolitan Water District of Orange County (MWDOC) Water Policy Forum

Director Krippner reported that the speaker at the MWDOC Water Policy Forum was complimentary of Governor Jerry Brown for his efforts to improve issues in the State of California.

CONSENT CALENDAR

None

OLD BUSINESS

None

NEW BUSINESS

- A. Consider Standby Employee to Inspect the District Facility Located at 14451 Cedarwood Avenue, Westminster, CA on Days that the District is Not Open for Business

A motion was made by Director Neugebauer, seconded by Director Diep to approve as recommended by staff, to include non-operation days to the motion and that it be implemented as soon as possible. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

B. Review and Discuss Drafting an Enabling Ordinance Establishing Penalties, Interest Charges, and Termination of Service for Delinquent Accounts and Returned Checks

A motion was made by Director Neugebauer, seconded by Director Diep to have staff proceed in drafting an enabling ordinance to bring back to the Board for approval. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

C. Approval to Upgrade the District's 1965 Citizen's Band (CB) Repeater

GM Robbins stated that the current CB repeater is non-functioning and a new one would help not only with day to day communications but also during an emergency.

A motion was made by Director Neugebauer, seconded by Director Rice to approve staff's recommendation to purchase a new 50-watt citizen's band repeater from Ray Com with a three year warranty in the amount of \$7,426.03 for the District yard. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

D. Consider Request to Quitclaim Distribution of a 20-Foot Easement in Exchange for a 3-Foot Easement by the City of Westminster

GM Robbins asked that the Board not take action on this item because the District has no easement in the location noted.

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 and Rice

NAYS:

ABSTAIN:

ABSENT:

E. Discuss and Approve Recognition for Midway City Sanitary District Employees at the Holiday Dinner on Sunday, December 7, 2014

Director Neugebauer asked that the Board and General Manager be listed on the invitations to the holiday dinner.

A motion was made by Director Rice, seconded by Director Diep to do the same as last year. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

F. Consider Upgrading the District's Supervisory Control and Data Acquisition (SCADA) System that Monitors the District's Four (4) Lift Stations

GM Robbins stated that the SCADA system needs to be updated every 5-7 years and when it went down in February of 2014, TESCO Controls was able to repair it because it is a non-proprietary system, which they recommend using again. Only one bid was received in time for the agenda by TESCO. Flo Service's bid came in after the agenda was posted for a proprietary system at a cost of \$111,511.62.

Director Neugebauer questioned whether this procedure follows the District's new purchasing policies and procedures and stated that she would not vote to support it.

A motion was made by Director Rice, seconded by Director Neugebauer to continue this item to the next regular Board meeting in order to ensure that the Board is following the District's new purchasing policy. 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 September 2014 (43,919 Successful Hits)
- B. 2014 Westminster Candidates Forum

A motion was made by Director Neugebauer, seconded by Director Rice to receive and file the information 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 commended staff for finding the website that monitors the hits for District's website at such a reasonable cost.

Director Neugebauer stated that, with the Board's approval, she would like to prepare a press release concerning the District's silver award and the individual awards received by herself and Directors Rice and Cobo at the CSDA conference for completing the Special District Leadership Academy.

Director Rice stated that she appreciated GM Robbins and Director Operations/Safety Castro at the conference.

Director Rice stated that she was concerned, shocked and just wanted to make everyone aware of a remark made by City of Westminster Councilwoman Diana Carey regarding possibly taking over the District due to the Rainbow Environmental sale. She urged staff and the Board to "be prepared" and wondered where she got the idea.

Director Neugebauer stated that what with having the unincorporated area, it limits that possibility and that there is a State statute that by a motion only, the Midway City Sanitary District could take over the Water District.

Director Neugebauer stated that she feels that, at some point in time, the Board should call a meeting for open discussion on these sorts of issues.

Director Krippner stated that when he was at the MWDOC Water Policy Forum, there was someone from LAFCO who was speaking in favor of merging entities and that she was attempting to influence the table with that discussion.

Director Diep left the meeting at 6:43 P.M.

GM/STAFF CONCERNS/COMMENTS

GM Robbins stated that he will add the District's legal services agreement from 1988 as an information item at the next meeting as well as an update of the City of Westminster versus the State of California's RDA lawsuit in which the District is named .

Finance/HR Director Housley reported that the District has received checks from the City of Westminster and Ocean View School District for the wholly exempt parcels.

Director Rice stated that once the Board adopts the resolution for an enabling ordinance to establish penalties, interest charges and termination of service for delinquent accounts and returned checks, the parties invoiced should be sent a copy so that they are aware of the penalties they will incur if the fees are not paid in a timely manner.

Finance/HR Director Housley stated that the Board was provided with a bound copy of yearly financial audit and that it has been posted to the District's website.

GENERAL COUNSEL CONCERNS/COMMENTS

Legal Counsel, James Eggart, stated that the Board is entitled and welcome to look over the legal services agreement and that he and his firm would be happy to work with the General Manager to provide the Board with a copy of that agreement.

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, October 21, 2014 at the District office at 5:30 P.M. at approximately 6:57 P.M.


Al Krippner, Secretary